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**Orange County Transportation Authority:** Lou Correa, County of Orange

**Riverside County Transportation  
Commission:** Robin Lowe, Hemet

**Ventura County Transportation  
Commission:** Keith Millhouse, Moorpark

## No. 481 Meeting of the

# Regional Council

Thursday, December 14, 2006  
12:00 Noon – 1:30 p.m.

### SCAG Offices

818 W. 7th Street, 12th Floor  
San Bernardino Conference Room A & B  
Los Angeles, California 90017  
213.236.1800

Agendas and Minutes for the  
Regional Council are also available at  
[www.scag.ca.gov/committees/rc.htm](http://www.scag.ca.gov/committees/rc.htm)

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Shelia Stewart at 213.236.1868 or [stewart@scag.ca.gov](mailto:stewart@scag.ca.gov).

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. If you require such assistance, please contact SCAG at 213.236.1868 at least 72 hours in advance of the meeting to enable SCAG to make reasonable arrangements. To request documents related to this document in an alternative format, please contact 213.236.1868.

# REGIONAL COUNCIL

## AGENDA

PAGE #

TIME

*"Any item listed on the agenda (action or information) may be acted upon at the discretion of the committee"*

- 1.0 **CALL TO ORDER & PLEDGE OF ALLEGIANCE** Hon. Yvonne Burke  
President

- 2.0 **PUBLIC COMMENT PERIOD** – Members of the public desiring to speak on items on the agenda, or items not on the agenda, but within the purview of the Council, must fill out and present a speaker's card to the Executive Assistant prior to speaking. A speaker's card must be turned in before the meeting is called to order. Comments will be limited to three minutes. The President may limit the total time for all comments to twenty minutes.

3.0 **CONSENT CALENDAR**

3.1 **Approval Items**

- |       |   |    |
|-------|---|----|
| 3.1.1 | <u>Minutes of November 2, 2006</u><br><u>Meeting Attachment</u>   | 01 |
| 3.1.2 | <u>Contracts over \$250,000</u><br><u>Attachment (Administration)</u>   | 10 |
| 3.1.3 | <u>Contracts Amendments over \$75,000</u><br><u>Attachment (Administration)</u>   | 13 |
| 3.1.4 | <u>2007 National Alternative Fuel and</u><br><u>Vehicles Conference and Expo</u><br><u>Attachment (Administration)</u>              | 15 |
| 3.1.5 | <u>Extension of Contracts for State &amp; Federal</u><br><u>Lobbyists until June 30, 2007</u><br><u>Attachment (Administration)</u> | 17 |
| 3.1.6 | <u>Public Participation Plan</u><br><u>Attachment</u>   | 19 |

- The parenthetical denotes items that have been considered by the listed committee



# REGIONAL COUNCIL

## AGENDA

	PAGE #	TIME
3.2 <b><u>Receive &amp; File</u></b>		
3.2.1 <u>Contracts/Purchase Orders and MOUs between \$5,000 - \$250,000 Attachment (Administration)</u>	35	
3.2.2 <u>CFO Monthly Financial Report for September/ August 2006 Attachment (Administration)</u>	37	
3.2.3 <u>November 2007 Election Results: Regional Impacts Attachment</u>	44	
4.0 <b><u>PRESIDENT'S REPORT</u></b>		
4.1 <u>Appointments</u>		
4.2 <u>Policy Regarding Staff Communications Attachment</u>	46	
5.0 <b><u>EXECUTIVE DIRECTOR'S REPORT</u></b>		
5.1 <u>Report from the Executive Director</u>		
5.2 <u>Executive Director's Performance Agreement July 1, 2006 to June 30, 2007 Attachment</u>	48	
6.0 <b><u>ACTION ITEMS</u></b>		
6.1 <b><u>Executive Committee Report</u></b>		
6.1.1 <u>2007 State and Federal Legislative Program Attachment</u>	Hon. Yvonne Burke, Chair	55
Recommended Action: Approve		
6.2 <b><u>Administration Committee Report</u></b>	Hon. Toni Young, Chair	
6.2.1 <u>Final Version of Delegation Agreement re: RHNA Attachment</u>		58
Recommended Action: Approve		



# REGIONAL COUNCIL

## AGENDA

	PAGE #	TIME
<b><u>Administration Committee Report - Cont'd</u></b>		
6.2.2 <u>RHNA Budget Attachment</u>	72	
Recommended Action: Approve		
6.2.3 <u>Merit Pay Program – Extend Pilot Status through July 2007 Attachment</u>	74	
Recommended Action: Approve		
6.3 <u>Transportation &amp; Communications Committee (TCC) Report</u>		Hon. Harry Baldwin, Chair
6.4 <u>Community, Economic &amp; Human Development Committee Report</u>		Hon. Paul Bowlen, Chair
6.4.1 <u>RHNA Pilot Program Legislative Language Attachment</u>	78	
Recommended Action: Review the approved RHNA Pilot Program language and direct staff to continue efforts to move the bill through the legislative process.		
6.5 <u>Energy &amp; Environment Committee (EEC) Report</u>		Hon. Dennis Washburn, Chair
6.6 <u>Communications &amp; Membership Subcommittee Report</u>		Hon. Glen Becerra, Chair
6.6.1 <u>2007 General Assembly (GA) and Regional Council Retreat</u>		
A discussion of program ideas for the 2007 GA and Retreat.		



# REGIONAL COUNCIL

## AGENDA

		<i>PAGE #</i>	<i>TIME</i>
<b>7.0</b>	<b><u>INFORMATION ITEMS</u></b>		
7.1	<u>Highlights of the Upcoming 2006 State of the Region Attachment</u>  Staff will present highlights of the upcoming 2006 State of the Region which is currently scheduled for release on December 11, 2006.	<b>Hon. Ron Loveridge, Chair</b>	<b>90</b>
7.2	<u>Infrastructure Bonds: Implementation and Impacts Attachment</u>  A summary of issues related to the implementation and possible regional impacts of the infrastructure bonds passed by the voters in the November election will be presented. Each Policy Committee received a report regarding the State Bonds in their respective areas. These reports are attached.	<b>Don Rhodes Mgr. Gov't Affairs</b>	<b>132</b>
<b>8.0</b>	<b><u>FUTURE AGENDA ITEMS</u></b>		
	Any committee member desiring to place items on a future agenda may make such request. Comments should be limited to three minutes.		
<b>9.0</b>	<b><u>ANNOUNCEMENTS</u></b>		
<b>10.0</b>	<b><u>ADJOURNMENT</u></b>		
	The next meeting of the Regional Council is scheduled for January 4, 2007 at the SCAG offices in downtown Los Angeles.		



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NO. 480  
SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS  
REGIONAL COUNCIL  
November 2, 2006  
MINUTES

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**THE FOLLOWING MINUTES ARE A SUMMARY OF ACTIONS TAKEN BY THE REGIONAL COUNCIL. AUDIO CASSETTE TAPE OF THE ACTUAL MEETING IS AVAILABLE FOR LISTENING IN SCAG'S OFFICE.**

The Regional Council (RC) of the Southern California Association of Governments held its meeting at the SCAG offices downtown Los Angeles. The meeting was called to order by the President Yvonne Burke, Supervisor, County of Los Angeles. There was a quorum.

**Members Present**

Hon. Yvonne B. Burke, President, Los Angeles County	
Hon. Gary Ovitt, 1st Vice President, San Bernardino County	
Hon. Richard Dixon, Lake Forest, 2 <sup>nd</sup> Vice President	District 13
Hon. Toni Young, Port Hueneme, Immediate Past President	District 45
Hon. Chris Norby, Orange County	
Hon. Jon Edney, El Centro	District 1
Hon. Greg Pettis, Cathedral City	District 2
Hon. Ron Loveridge, Riverside	District 4
Hon. Bonnie Flickinger, Moreno Valley	District 3
Hon. Ron Roberts, Temecula	District 5
Hon. Lee Ann Garcia, Grand Terrace	District 6
Hon. Larry McCallon, Highland	District 7
Hon. Deborah Robertson	District 8
Hon. Paul Eaton, Montclair	District 9
Hon. Alan Wapner, Ontario	District 10
Hon. Paul Glabb, Laguna Niguel	District 12
Hon. Lou Bone, Tustin	District 17
Hon. Christine Barnes, La Palma	District 18
Hon. Marilyn Poe, Los Alamitos	District 20
Hon. Art Brown, Buena Park	District 21
Hon. Paul Bowlen, Cerritos	District 23
Hon. David Gafin, Downey	District 25
Hon. Frank Gurule, Cudahy	District 27
Hon. Judy Dunlap, Inglewood	District 28
Hon. Tonia Reyes-Uranga, Long Beach	District 30
Hon. Stan Carroll, La Habra Heights	District 31
Hon. Paul Talbot, Alhambra	District 34
Hon. Margaret Clark, Rosemead	District 32
Hon. Harry Baldwin, San Gabriel	District 35

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Prepared by: A. Madhwal-Mohar  
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Hon. Mike Ten, South Pasadena	District 36
Hon. Tom Sykes, Walnut	District 37
Hon. Paula Lantz, Pomona	District 38
Hon. Paul Nowatka, Torrance	District 39
Hon. Jim Aldinger, Manhattan Beach	District 40
Hon. Pam O'Connor, Santa Monica	District 41
Hon. Mike Dispenza, Palmdale	District 43
Hon. Dennis Washburn, Calabasas	District 44
Hon. Carl Morehouse, San Buenaventura	District 47
Hon. Dennis Zine, Los Angeles	District 50
Hon. Bernard Parks, Los Angeles	District 55
Hon. Debbie Cook, Huntington Beach	District 64
Hon. Tim Jasper, Apple Valley	District 65
Hon. Lou Correa, Orange County	OCTA
Hon. Keith Millhouse, Moorpark	VCTC

### **Members Not Present**

Hon. Judy Mikels, Ventura County	
Hon. Victor Carrillo, Imperial Valley	
Hon. Zev Yaroslavsky, LA County	
Hon. Jeff Stone, Riverside County	
Hon. Lawrence Dale, Barstow	District 11
Hon. Leslie Daigle, Newport Beach	District 14
Hon. Richard Chavez, Anaheim	District 19
Hon. John Beaman, Brea	District 22
Hon. Gene Daniels, Paramount	District 24
Hon. Isadore Hall, Compton	District 26
Hon. Rae Gabelich, Long Beach	District 29
Hon. Keith Hanks, Azusa	District 33
Hon. Todd Campbell, Burbank	District 42
Hon. Glen Becerra, Simi Valley	District 46
Hon. Ed Reyes, Los Angeles	District 48
Hon. Wendy Greuel, Los Angeles	District 49
Hon. Tom LaBonge, Los Angeles	District 51
Hon. Jack Weiss, Los Angeles	District 52
Hon. Tony Cardenas, Los Angeles	District 53
Hon. Alex Padilla, Los Angeles	District 54
Hon. Jan Perry, Los Angeles	District 56
Hon. Herb Wesson, Los Angeles	District 57
Hon. Bill Rosendahl, Los Angeles	District 58
Hon. Greig Smith, Los Angeles	District 59
Hon. Eric Garcetti, Los Angeles	District 60
Hon. Jose Huizar, Jr., Los Angeles	District 61
Hon. Janice Hahn, Los Angeles	District 62
Hon. Thomas Buckley, Lake Elsinore	District 63
Hon. Antonio Villariagosa, Los Angeles	At-Large

**Staff Present**

Mark Pisano, Executive Director  
Jim Gosnell, Deputy Executive Director  
Wayne Moore, Chief Financial Officer  
Hasan Ikhata, Director, Planning & Policy  
Karen Tachiki, Chief Counsel  
Colin Lennard, General Counsel  
Lisa Taylor, Sr. Administrative Assistant  
Shelia Stewart, Executive Assistant

**1.0 CALL TO ORDER & PLEDGE OF ALLEGIANCE**

Led by Supervisor Gary Ovitt, San Bernardino County.

**2.0 PUBLIC COMMENT PERIOD**

There were no comments.

**3.0 CONSENT CALENDAR**

Item 3.1.5 was pulled for discussion. MOTION was made (Ovitt) to approve the remaining consent calendar items. Motion was SECONDED (Dixon) and UNANIMOUSLY approved.

**3.1 Approval Items**

**3.1.1 Minutes of October 5, 2006 Meeting**

There was one abstention. However President Burke stated that an abstention would be recorded for members not attending the October meeting. There were no objections.

**3.1.2 Caltrans Transportation Planning Grant Applications**

**3.1.3 Resolution #06-480-1 Application for Blueprint Planning Grant Funds**

**3.1.4 Memorandum of Understanding (MOU) Regarding the Large Urbanized Area Grant Funds**

**3.1.6 Contracts over \$250,000**



### 3.2 **Receive & File**

#### 3.2.1 Contracts/Purchase Orders and MOUs between \$5,000 - \$250,000

#### 3.2.2 2007 Meeting Calendar for the Administration and Policy Committees and Regional Council

The item was presented under the President's Report.

#### 3.2.3 CFO Monthly Financial Report for August/ September 2006

### **Item Pulled**

#### 3.1.5 Funding Support for the California Regional Progress Report

Councilmember Lantz expressed concerns as to why SCAG pays a larger share of costs for consultants selected by Caltrans. She questioned the imbalance in the funding as well as the rationale for SCAG having to accept an entity without any kind of bidding process.

Councilmember Young stated that Caltrans is the lead agency in assembling and securing participation from all of the MPOs within the state.

MOTION was made (Baldwin) to approve funding support for the California Regional Progress Report. Motion was SECONDED (Young) and UNANIMOUSLY approved.

## 4.0 **PRESIDENT'S REPORT**

### 4.1 Informational Hearing to Senate Transportation and Housing Committee

President Burke stated that she presented testimony to the Senate Transportation and Housing Committee on behalf of SCAG. She stated that Senator Lowenthal was very supportive and agreed to carry legislation on behalf of SCAG regarding RHNA efforts.

### 4.2 Appointments

Hon. Lou Bone, Tustin, was appointed as chair of the MAGLEV Task Force; Hon. Alan Wapner, representing SANBAG, was appointed to the Administration Committee; and Hon Sidney Tyler, representing SGVCOG, was appointed to the Community, Economic and Human Development Committee.

#### 4.3 Announcements

President Burke announced that the District Evaluation Committee, composed of the Administration Committee, would reconvene during the February/March 2007 timeframe. Councilmember Pettis serves as chair of the District Evaluation Committee

President Burke presented service awards to outgoing Regional Council members. Councilmember Marilyn Poe, Los Alamitos, and Councilmember Paul Talbot, Alhambra, were acknowledged for their participation and service on the Regional Council.

#### 4.4 2007 Meeting Calendar for the Administration and Policy Committees and Regional Council

President Burke announced that the League of California Cities' Annual meeting conflicts with SCAG's September 6, 2007 meeting date. Several members expressed concerns regarding changing meeting dates. Councilmember Brown stated that members usually schedule their meetings one year in advance to include SCAG meeting. Therefore changing meeting dates to accommodate every meeting is not appropriate.

However after discussions, a MOTION was made (Baldwin) to amend the 2007 meeting schedule to reflect changing the September 6, 2007 meeting date to September 13, 2007. Motion was SECONDED (Gafin). There were 4 NOES. The motion PASSED.

### 5.0 EXECUTIVE DIRECTOR'S REPORT

Mark Pisano announced that a SCAG staff retreat will be held on November 7, 2006. He stated that the purpose of the retreat is to focus on the implementation of the continuous improvement program, training and overall decentralization of budget and decision making within the organization.

He also reported on his participation at the Orange County Strategic Focus Stakeholder's interviews. Mr. Pisano stated that viewpoints that were expressed would assist Orange County in their strategic planning efforts.

In October, Mr. Pisano attended a conference sponsored by the California Foundation for the Economy and the Environment on Water. A representative from the Governor's office, eighteen legislators, and all the water districts attended this conference.

He informed the council that this conference realized the need of the Integrated Water Management Planning activities to be integrated with the Blueprint planning efforts occurring within regions, and to establish policies. Another conclusion of the conference was the realization of the need to look to a different funding structure for water, and the need

to implement a program in which the beneficiaries of water quality are able to pay for their benefit.

Mr. Pisano reported that the Southern California Regional Airport Authority held their inaugural meeting on October 12.

He informed the council that SCAG has submitted their input to the air plan to the South Coast Air Quality District. That plan will be moving through its decision making process between now and April 2007 and a Policy Committee/Regional Council Meeting will be scheduled sometime during January or February 2007.

## **6.0 ACTION ITEMS**

### **6.1 Administration Committee Report**

#### **6.1.1 Draft Delegation Agreement re: RHNA**

Councilmember Young, Chair, reported that SCAG will undertake the RHNA for this cycle for all subregions which elected not to accept delegation. Because there is currently some interest in delegation, primarily from CVAG, staff sought direction as to the issues of funding and indemnification.

The Administration Committee recommended that funding be provided to each subregion who accepts delegation to undertake duties in the maximum amount of \$20,000, and that SCAG will indemnify the subregion accepting delegation provided the subregion complies with all of the delegation duties under the Agreement up to \$25,000 in order to limit SCAG's potential litigation costs.

MOTION was made (Young) to approve to recommendation. Motion was SECONDED (Washburn) and UNANIMOUSLY approved.

Hasan Ikhata, Director, Planning and Programming, stated the draft will be updated and forwarded to the subregions with a deadline to respond. Mayor Dixon directed staff to consider the meeting times of the subregions prior to setting deadlines.

### **6.2 Transportation & Communications Committee (TCC) Report**

There was no report.

### **6.3 Community, Economic & Human Development Committee Report**

#### **6.3.1 RHNA Pilot Legislation**

The CEHD recommended that the Regional Council approve the legislative language and submit language to the author.

Mayor Dixon stated that he opposed the recommendation of the CEHD because the stakeholders' language was not available for review. President Burke gave a brief status report and background information for moving forward with introducing the legislation.

Karen Tachiki, Chief Counsel, stated that the information presented to the Regional Council was based upon the legislative language suggested by the League with only minor modifications. She also stated that the CEHD recommended that the Regional Council authorize staff to proceed with getting the bill introduced. However staff was directed to bring the issue back in December for further discussion.

MOTION was made (Bowlen) to approve that staff proceed with introduction of the RHNA Pilot Legislation. Motion SECONDED (Young), with 2 NOES (Correa, Dixon). The motion PASSED.

#### 6.3.2 Compass Blueprint Demonstration Project Selection

In October 2006, the CEHD recommended ranking of the second round of Demonstration Project applications. The ranking is based on the evaluation criteria developed by CEHD in May 2005, with the condition that for project applications by non-member cities, the city must first join SCAG in order to receive applicable funding.

President Burke stated that a letter was received from the City of Santa Ana wherein it was asserted that their projects should be included in the demonstration program because it's funded through state and federal funding sources even though they are not members of SCAG.

MOTION was made (Bowlen) to approve the ranking of projects. MOTION was SECONDED (Young). There were 2 NOES (Correa, Dixon). The motion PASSED.

#### 6.4 Energy & Environment Committee (EEC) Report

There was no report.

#### 6.5 Communications & Membership Subcommittee Report

Plans are underway for the 2007 General Assembly and RC Retreat. The committee is recommending that these two important activities be combined into a two-day event to be held in the spring. Subcommittee members are Glen Becerra, Gene Daniels, Harry Baldwin, Debbie Cook, Bonnie Flickinger, Lee Ann Garcia, Toni Young.

Each of SCAG's three policy committees has the opportunity to bestow a Regional Champion Award on someone representing or contributing service to the region in

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Prepared by: A. Madhuganathan  
Doc # 1090-0001  
12/07/06

that committee's area of focus. Candidates for Regional Champions should be civilians who go above and beyond to do the right thing. Candidates should not be elected officials or public servants who are performing their regular jobs. The subcommittee will present an award recognizing service to the region in the area of communications and media. More information regarding the Regional Champion nominations will be coming soon.

## **6.6 Southwest Compact Task Force Report**

### **6.6.1 Report on 3<sup>rd</sup> Annual Bi-National Hearing**

Councilmember Edney, Chair, gave a presentation on the Bi-National Hearing held in Yuma Arizona. He stated that the hearing was well attended. Councilmember Edney stated that the next steps of the task force are to seek partnership with San Diego Associated Governments (SANDAG) and others. Councilmember Edney acknowledged and thanked SCAG staff for their help and assistance in making this a successful event.

## **7.0 INFORMATION ITEMS**

### **7.1 Highlights of the Upcoming 2006 State of the Region**

This item will be presented at the December 14, 2006 meeting.

### **7.2 Executive Director's Performance Agreement July 1, 2006 to June 30, 2007**

The item will brought back at the December 14, 2006 meeting.

## **8.0 CLOSED SESSION**

### **8.1 Ratification of Executive Committee Report on Performance Evaluation of the Executive Director Pursuant to Government Code §54957(b)(1)**

Colin Lennard, General Council, stated that pursuant §54957(b)(1) the Regional Council will go into closed session.

MOTION was made (Young) to go into closed session. Motion was SECONDED (Bowlen) and UNANIMOUSLY approved.

Back in open session it was stated that there was nothing to report out of the closed session.

## **9.0 EXECUTIVE COMMITTEE REPORT**

### **9.1 Salary and Compensation of Executive Director**

There was nothing to report at this time.

**10.0 FUTURE AGENDA ITEMS**

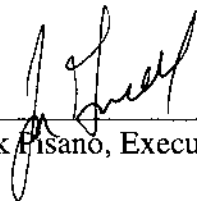
There were no items presented.

**11.0 ANNOUNCEMENTS**

There were no announcements.

**12.0 ADJOURNMENT**

The meeting adjourned at 1:30 p.m. The next meeting is scheduled for December 14, 2006 at SCAG offices in downtown Los Angeles.



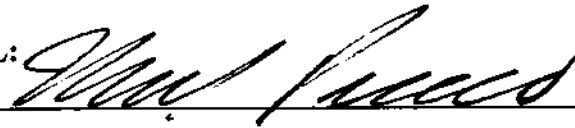
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Mark Pisano, Executive Director

# REPORT

**DATE:** December 14, 2006  
**TO:** Administration Committee  
Regional Council  
**FROM:** Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov  
**SUBJECT:** Approval of Contract(s) Over \$250,000

**EXECUTIVE DIRECTOR'S APPROVAL:**



## RECOMMENDED ACTION:

Approve the award of Contract 07-028-C1 for \$659,951 to System Metrics Group, Inc. for data collection, operational analysis, and template development services.

## BACKGROUND:

Attached is a Consultant Contract Summary.

## FISCAL IMPACT:

Funds for this contract are included in the fiscal year budget work element 06-255.SCGC1.

**If a member believes or has a reason to believe that he or she has a financial interest in any of the firms listed on this Report, the member should consult with SCAG Legal Counsel.**

Reviewed by:

  
Chief Financial Officer

## **CONSULTANT CONTRACT**

**Consultant:** System Metrics Group, Inc.

**Scope:** The region covered by the Southern California Association of Governments, known as the SCAG Region, includes the counties of Los Angeles, Orange, Riverside, San Bernardino, Ventura and Imperial. The freeway system within the region is experiencing severe congestion and a reduced level of performance. Operational improvements to allow the freeway system to achieve a sustained level of design performance and prevent breakdown and deterioration of potential vehicle throughput may represent a very cost effective strategy to maximize mobility and improve safety. Caltrans has provided SCAG with funding to undertake a study to assess operational improvement strategies, to assess methodologies to test and simulate improvement strategies, and to apply those methodologies to conditions on the I-405 and I-210 corridors in Los Angeles County and use them to prioritize operational improvements.

The operational study will develop a template to be used to assess and prioritize operational improvements on the freeway system and adjacent corridors. The data and methodologies developed will allow Caltrans and SCAG to better understand the impacts of operational conditions on freeway flow and efficiency. This, in turn, will allow for a better understanding of what improvements work best, and allow for better decision making in the allocation of scarce resources to optimize the performance and investment in our freeway system.

<b>Contract Amount:</b>	<b>Total not to exceed</b>	<b>\$659,951</b>
	System Metrics Group (prime)	\$270,648
	Advantec Consulting Engineers (subcontractor)	\$35,089
	Braidwood Associates, Ltd. (subcontractor)	\$179,350
	Cambridge Systematics, Inc. (subcontractor)	\$149,904
	WILTEC (subcontractor)	\$24,960

Notice to Proceed through June 30, 2008

<b>Work Element:</b>	06-255.SCGC1	\$659,951	Funding Sources: Caltrans Funds
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**Request for Proposal:** SCAG staff notified 434 pre-qualified firms of the release of RFP No. 07-028. The RFP was also advertised on Lawley Publications website, the American Planning Association's website, and posted on SCAG's bid management system. The following four proposals were received in response to the solicitation:

Delcan Corporation	(3 subcontractors)	\$659,703
Iteris (Meyer, Mohaddes)	(2 subcontractors)	\$659,961



Katz, Okitsu & Associates (2 subcontractors)	\$658,458
System Metrics Group, Inc. (4 subcontractors)	\$659,951

**Selection Process:**

The Proposal Review Committee (PRC) evaluated all four proposals in accordance with the criteria set forth in the RFP, and the selection process was conducted in a manner consistent with all applicable Federal and State contracting regulations. Interviews were held with all four offerors.

The PRC was comprised of the following individuals:

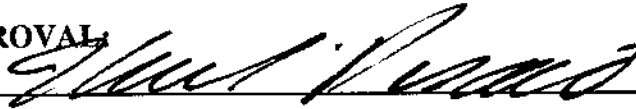
John Wolf, Assistant Division Chief, Traffic Operations, Caltrans HQ  
Pat Weston, Chief Systems Planning, Caltrans HQ  
Elhami Nasr, Office Chief, Advanced Planning, Caltrans District 7  
Marco Ruano, Chief, Office of Freeway Operations,  
Caltrans District 7  
Annie Nam, Program Manager, SCAG

# REPORT

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**DATE:** December 14, 2006  
**TO:** Administration Committee  
Regional Council  
**FROM:** Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov  
**SUBJECT:** Approval of Contract Amendment(s) Over \$75,000

**EXECUTIVE DIRECTOR'S APPROVAL:**



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**RECOMMENDED ACTION:**

Approve the attached Consultant Contract Amendment of \$285,000 to Sapphire Technologies Contract for temporary staffing services.

**BACKGROUND:**

Attached is a Contract Amendment Summary.

**FISCAL IMPACT:**

Funds for this Amendment are included in the fiscal year budget plan.

**If a member believes or has a reason to believe that he or she has a financial interest in any of the firms listed on this Report, the member should consult with SCAG Legal Counsel.**

Reviewed by:



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Chief Financial Officer

## CONSULTANT CONTRACT AMENDMENT

**Consultant:** Sapphire Technologies

**Scope:** The consultant will provide temporary staffing created by vacancies or short-term peak workload needs. Temporary staffing services are in the area of information technology, such as SAP programming, GIS, Web Development, help desk activities, system implementation or system analysis.

The purpose of this amendment is to add additional funding of \$285,000.00 to cover the remainder of the fiscal year for temporary staffing needs created by vacancies or short term peak workload.

**Contract Amount:** This amendment is for \$285,000.00  
Original contract is for \$285,000.00  
**Total contract value is not to exceed \$570,000.00**

**Contract Period:** December 14, 2006 through June 30, 2007

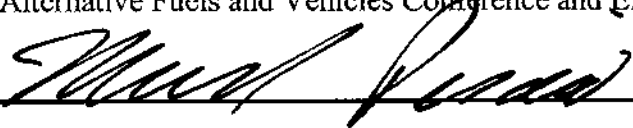
**Work Element:** 07-XXX.XXXX \$570,000.00 (Funding sources: Indirect Overhead and other funding sources depending on area of need)

**Request for Proposal:** Not applicable – The State of California. Department of General Services, Procurement Division, in accordance with Public Contract Code (PCC) Sections 10290 et seq. and Section 12101.5, establishes contracts from the federal General Services Administration (GSA) multiple award schedule program for various products and services. As a governmental agency, SCAG is able to take advantage of the California Multiple Awards Schedule (CMAS) contract that Sapphire Technologies has with the State of California, without SCAG having to solicit bids.

**Selection Process:** CMAS

**Basis for Selection:** Sapphire Technologies is a qualified CMAS contractor through 12/31/07.

# REPORT

**DATE:** December 14, 2006  
**TO:** Regional Council  
**FROM:** Sheryll Del Rosario, Associate Environmental Planner, (213) 236-1879,  
[delrosar@scag.ca.gov](mailto:delrosar@scag.ca.gov)  
**SUBJECT:** The 2007 National Alternative Fuels and Vehicles Conference and Expo  
**EXECUTIVE DIRECTOR'S APPROVAL** 

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## **RECOMMENDED ACTION:**

Support the 2007 National Alternative Fuels and Vehicles Conference and Expo.

## **SUMMARY:**

The National Alternative Fuels and Vehicles Conference and Expo (formerly known as National Clean Cities Conference) is holding their 2007 event in the SCAG region. Planning Committee Chair Will Kleindienst is requesting SCAG's support in advancing the awareness and participation of this event. SCAG support will not include any funding.

## **BACKGROUND:**

The Alternative Fuel Vehicle Institute (AFVI) was founded in 2003 to provide high quality education, training and technical assistance on the broad range of alternative fuel vehicles (AFVs) available in today's marketplace. A non-profit organization, AFVI was formed to fill the gap between the U.S. policy push of hydrogen powered vehicles as the answer to foreign oil dependence and environmental degradation and the reality that commercially available hydrogen powered vehicles will not be available for 15 years or more.

The AFVI will hold the 13th National Alternative Fuels and Vehicles Conference and Expo in Anaheim, California, April 1-4, 2007. The Conference will be held at the Anaheim Marriott & the Anaheim Convention Center. The annual conference was formerly sponsored by the Department of Energy as the national Clean Cities Conference. This annual event brings together more than one thousand government and industry stakeholders who share the mission of reducing petroleum consumption in the transportation sector. The program has long supported non-petroleum fuels including natural gas, ethanol, biodiesel, propane, and electricity; as well as the alternative fuel vehicles (AFVs) that can use those fuels.

Lead sponsors of the 2006 conference were AFV Solutions, American Honda and General Motors. Additional sponsors included Advanced Fleet, ANGI International, BAF Technologies, California Natural Gas Vehicle Coalition, Campbell-Parnell, City of Phoenix, Clean Energy, Cummins Westport, Custom Alloy Products, DaimlerChrysler, Ford, GreenField Compression, ICF International, IMW, John Deere, Logex, National Biodiesel Board, National Ethanol Vehicle Council, Pacific Gas and Electric Company, Pinnacle CNG Company, Propane Exceptional Energy, Salt River Project, Southern California Gas Company, and Toyota.

# REPORT


## FISCAL IMPACT:

Work related to this item is included in the FY 2006-07/ (07-025) Overall Work Program under Air Quality/Conformity.


Reviewed  
by:

  
Division Manager

Affirmed  
by:

  
Department Director

Affirmed  
by:

  
Chief Financial Officer

# REPORT

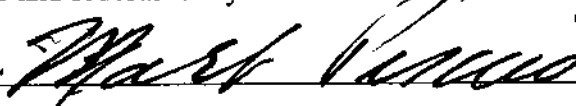
**DATE:** December 14, 2006

**TO:** Regional Council  
Administrative Committee

**FROM:** Don Rhodes, Manager of Public and Government Affairs  
Phone: (213) 236-1840  
rhodes@scag.ca.gov

**SUBJECT:** Extension of contracts for state and federal lobbyists until June 30, 2007

**EXECUTIVE DIRECTOR'S APPROVAL**



**RECOMMENDED ACTION:** Authorize the extension of the contracts for both the state and federal lobbyists to the end of the fiscal year (June 30, 2007).

## SUMMARY:

The contracts with SCAG's federal lobbyist, the C2 Group, and the state lobbyist, Hatch and Parent will expire on February 6, 2007, and April 21, 2007, respectively. Staff recommends that the contracts be extended through the end of the fiscal year, June 30, 2007. This extension, maintaining existing contract provisions and payment schedules will bring both contracts into conformity with SCAG's fiscal year and prevent disruption to SCAG's legislative activities during the early part of the state legislative and Congressional sessions.

## BACKGROUND:

SCAG contracts for the services of both federal and state government affairs consultants/lobbyists. The contract for the federal lobbyist, the C2 Group, is for 48 months with annual options to renew. The final renewal option expires on February 6, 2007. The contract for the state lobbyist, Hatch and Parent, is also for 48 months and its final renewal option expires on April 21, 2007. The current monthly payments are \$16,666 for the federal lobbyist contract and \$6,666 for the state lobbyist contract.

The standard practice would be to commence the request for proposals (RFP) to enable the selection of firms to represent SCAG at the state and federal levels on or before the scheduled expiration date for the existing contracts. However, it would be disruptive to the SCAG legislative program to conduct the RFPs and possibly change representatives during the early part of both the state legislative and Congressional sessions. The SCAG Consensus Trip to Washington, D.C. is planned for February 27, 2007 through March 1, 2007. The state legislative day is usually held in late April or early May. Additionally, much of the activity related to working with members on legislation occurs during the early part of the session. Thus, staff recommends that both the contracts be extended through the end of the current fiscal year, June 30, 2007, maintaining existing contract provisions and payment schedules.



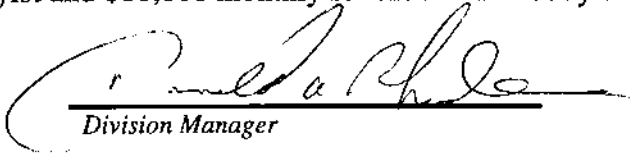
# REPORT

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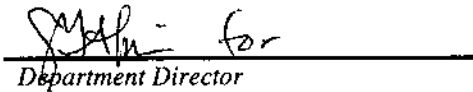
## FISCAL IMPACT:

The current General Fund budget contains amounts to pay both the state and federal lobbyists. This proposal, if approved, would not modify the budgeted amounts which, as noted above are \$6,666 monthly for the state lobbyist and \$16,666 monthly for the federal lobbyist.

Reviewed by:

  
Division Manager

Reviewed by:

  
Department Director

Reviewed by:

  
Chief Financial Officer

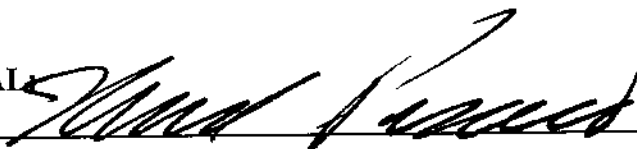
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# REPORT

**DATE:** December 14, 2006  
**TO:** Regional Council  
**FROM:** Cheryl Collier, Communications Supervisor, 213.236.1942, [collier@scag.ca.gov](mailto:collier@scag.ca.gov)  
**SUBJECT:** Public Participation Plan

**EXECUTIVE DIRECTOR'S APPROVAL:**



**RECOMMENDED ACTION:**

Approve the Public Participation Plan.

**BACKGROUND:**

Since its inception, the Southern California Association of Governments (SCAG) has engaged in a public involvement process in developing its regional transportation plans and programs. As a result of changes in the metropolitan planning law in 2005, SCAG will broaden its current participation activities to engage a more extensive group of stakeholders in its planning and programming processes.

This Public Participation Plan serves as a guide for SCAG's public involvement process as well as the continuing, comprehensive and coordinated planning process among the stakeholders to ensure the ongoing opportunity for broad-based participation in the development and review of regional transportation plans and programs.

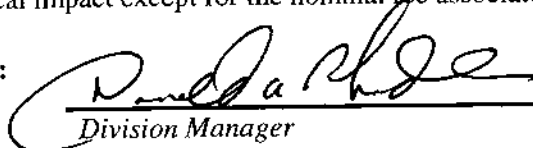
The draft Public Participation Plan was released for a 45-day public review and comment period and posted on SCAG's web site beginning October 17, 2006. A notice of the draft Plan's availability was posted in one major newspaper in each county plus La Opinion and the Chinese Daily News. In addition, copies of the draft Plan were distributed to 46 local libraries, the subregions, Tribal Government Chairs, environmental organizations, representatives of the disabled, pedestrians and bicycle users, the county transportation commissions, air districts, and other interested parties. Copies of the draft Plan were also available at the November Regional Council meeting as well as SCAG's lobby.

Staff will report on any substantive comments received, if any, at the December Regional Council meeting that would require a formal response or change to the plan.

**FISCAL IMPACT:**

There is no fiscal impact except for the nominal fee associated with newspaper postings.

Reviewed by:

  
Division Manager

Reviewed by:

  
Department Director

Reviewed by:

  
Chief Financial Officer



**Southern California Association of Governments (SCAG)**

# **Public Participation Plan**

**December 14, 2006**

**“Never doubt that a small group of thoughtful, concerned citizens can change the world. Indeed, it is the only thing that ever has.”** *Margaret Mead*

## **Purpose of SCAG’s Public Participation Plan**

The awareness and involvement of interested persons in governmental processes are critical to successful regional transportation planning and programming. When the public is engaged in the process, their feedback helps assure projects address community needs. Likewise, the public gains a better understanding of the tradeoffs and constraints associated with transportation planning. This Public Participation Plan (“Plan”) serves as a guide for SCAG’s public involvement process as well as the continuing, comprehensive and coordinated planning process among the stakeholders to ensure the ongoing opportunity for broad-based participation in the development and review of regional plans and programs.

## **Introduction**

Since its inception, the Southern California Association of Governments (SCAG) has engaged in a public involvement process in developing its regional transportation plans and programs. As a result of changes in the metropolitan planning law in 2005, SCAG will broaden its current participation activities to engage a more extensive group of stakeholders in its planning and programming processes.

As a metropolitan planning organization (MPO), SCAG is responsible for preparing and utilizing a Plan which is developed in consultation with all interested parties and provides reasonable opportunities for interested parties to comment on the content of SCAG’s Regional Transportation Plan (RTP) and the Transportation Improvement Program (TIP), pursuant to the “Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users” (SAFETEA-LU), 23 U.S.C. et seq.

The participation procedures incorporated into this Plan are intended to afford interested parties a specific opportunity to comment on the Plan prior to its approval. The Plan contains an expanded list of Interested Parties, including governmental agencies and nonprofit organizations that receive Federal

assistance from a source other than the Department of Transportation (DOT) to provide non-emergency transportation services and recipients of assistance under 23 U.S.C. 204.

In addition to developing and carrying out a Plan, SCAG is required to consult with State, local, and Tribal Governments in development of its RTPs and TIPs. SCAG is specifically required to consult with agencies and officials responsible for other planning activities within the region that are affected by SCAG's RTP and TIP (including, as appropriate, State & local agencies responsible for land use management, natural resources, environmental protection, conservation, and historic preservation).

As part of developing other plans and programs for which SCAG is responsible, SCAG carries out additional participation activities, including but not limited to: collaboration with transportation partners in development of the SCAG Overall Work Program, pursuant to 23 C.F.R. 450.314 and State guidance; scoping meetings and public review of the Draft Program EIR (PEIR) for the RTP, as required by applicable California Environmental Quality Act (CEQA) Guidelines, 14 C.C.R. Ch. 3, Art. 7; and, public participation in the development of a methodology for the Regional Housing Needs Allocation Plan, pursuant to Govt. Code Section 65584.04(c).

This Plan is intended to guide the participation process and to coordinate the process with SCAG's consultation activities and other responsibilities.

### **Public Participation Plan Requirements**

SCAG's Public Participation Plan must comply with the following requirements provided under 23 U.S.C. 134, subsections (i)(5), and (j)(1)(B) which are summarized as follows:

1. SCAG shall provide citizens, affected public agencies, representatives of public transportation employees, freight shippers, providers of freight transportation services, private providers of transportation, representatives of users of public transportation, representatives of users of pedestrian walkways and bicycle transportation facilities, representatives of the disabled, and other interested parties with a reasonable opportunity to comment on the RTP.
2. The participation plan shall be developed in consultation with all interested parties, and shall provide that all interested parties have reasonable opportunities to comment on the contents of the transportation plan.
3. In carrying out the participation process, SCAG must, to the maximum extent practicable--

- (i) hold any public meetings at convenient and accessible locations and times;
  - (ii) employ visualization techniques to describe plans; and
  - (iii) make public information available in electronically accessible format and means, such as the World Wide Web, as appropriate, to afford reasonable opportunity for consideration of public information under paragraph 1 above.
- 4. The RTP shall be published or otherwise made readily available by the metropolitan planning organization for public review, including (to the maximum extent practicable) in electronically accessible formats and means, such as the World Wide Web, approved by the metropolitan planning organization and submitted for information purposes to the Governor at such times and in such manner as the Secretary shall establish.
- 5. In developing the TIP and before approving the TIP, SCAG in cooperation with the State and any affected public transportation operator, shall provide an opportunity for participation by interested parties in the development of the program, in accordance with the same requirements described above.

The Public Participation Plan further incorporates the requirements proposed under Federal guidance implementing SAFETEA-LU (71 FR 33521; June 9, 2006), summarized as follows:

- 1. Provide timely information about transportation issues and processes to citizens, affected public agencies, representatives of transportation agency employees, private providers of transportation, other interested parties and segments of the community affected by transportation plans, programs and projects (including but not limited to central city and other local jurisdiction concerns);
- 2. Provide reasonable public access to technical and policy information used in the development of plans and TIPs and open public meetings where matters related to the Federal-aid highway and transit programs are being considered;
- 3. Require adequate public notice of public involvement activities and time for public review and comment at key decision points, including, but not limited to, approval of plans and TIPs (in non-attainment areas, classified as serious and above, the comment period shall be at least 30 days for the plan, TIP and major amendment(s));
- 4. Demonstrate explicit consideration and response to public input received during the planning and program development processes;

5. Seek out and consider the needs of those traditionally underserved by existing transportation systems, including but not limited to low-income and minority households;
6. If the final transportation plan or TIP differs significantly from the one which was made available for public comment by SCAG and raises new material issues which interested parties could not reasonably have foreseen from the public involvement efforts, an additional opportunity for public comment on the revised plan or TIP shall be made available;
7. The Public Participation Plan shall be periodically reviewed by SCAG in terms of its effectiveness in assuring that the process provides full and open access to all;
8. Metropolitan public involvement processes shall be coordinated with statewide public involvement processes wherever possible to enhance public consideration of the issues, plans, and programs and reduce redundancies and costs;
9. When significant written and oral comments are received on the draft transportation plan or TIP (including the financial plan) as a result of the public involvement process or the interagency consultation process required under the U.S. EPA's conformity regulations, a summary, analysis, and report on the disposition of comments shall be made part of the final plan and TIP.
10. Require a minimum public comment period of 45 days before the initial or revised Public Participation Plan is adopted by SCAG;

### **Consultation Requirements**

SCAG must consult, as appropriate, with State and local agencies responsible for land use management, natural resources, environmental protection, conservation, and historic preservation concerning the development of a long-range transportation plan. The consultation shall involve, as appropriate:

- 1) Comparison of transportation plans with State conservation plans or maps, if available; or
- 2) Comparison of transportation plans to inventories of natural or historic resources, if available.

See 23 U.S.C Section 134(i)(4).

Furthermore, under the metropolitan planning process, RTPs and TIPs must be developed with due consideration of other related activities within the region, and

the process must provide for the design and delivery of transportation services within the region that are provided by:

- 1) Recipients of assistance under Chapter 53 of Title 49 U.S.C.
- 2) Governmental agencies and nonprofit organizations (including representatives of the agencies and organizations) that receive Federal assistance from a source other than the Department of Transportation to provide non-emergency transportation services; and
- 3) Recipients of assistance under 23 U.S.C Section 204.

See 49 U.S.C Section 5303.

Consultation requirements are accomplished primarily through our policy committees and task force structure. Policy committees are primarily made up of local elected officials. There are several issue-specific as well as mode-specific task forces that are on-going as well as some that are created for a specific purpose and specific time frame. All of these task forces forward their recommendations to policy committees. Examples of these task forces include: Transportation Finance Task Force, Aviation Task Force, Goods Movement Task Force, Regional Transit Task Force, and the Plans and Programs Technical Advisory Committee. Membership on these task forces and working groups includes elected officials as well as stakeholder agency representatives. The stakeholders have a direct pipeline to SCAG's planning processes through these task forces. SCAG proposes to expand the membership of some of these task forces to ensure inclusion of the broader stakeholders and interest groups identified in SAFETEA-LU.

In addition, SCAG conducts several workshops prior to releasing the Draft RTP involving stakeholders to ensure that their input on major issues is addressed in the plan.

SCAG also utilizes the subregional council of governments (COG) structure to "get the word out" and solicit input on the content as well as the planning and programming process from the local stakeholders.

SCAG mails out a Notice of Draft RTP and RTIP Availability to the stakeholders at the local, state and federal level to solicit their comment and input to the final RTP and RTIP. Comments as well as responses are fully documented and reflected in the final RTP.

SCAG will continue to engage Tribal Governments in the RTP and RTIP processes through Tribal Government representation on SCAG's governing board and policy committees, and through the Tribal Governments Relations Task Force.

### **Bottom-Up Planning and Interagency Consultation**

An expanded 70-member Regional Council and the fostering of 14 subregional organizations were initiated by the former Executive Committee in 1992. These forums, coupled with three policy committees and 20 standing committees and technical advisory committees, and the "AB 1246 process" (required under Public Utilities Code Section 130000 et seq.) facilitate SCAG's ability to provide a framework for bottom-up planning and more frequent and ongoing participation by interested parties at all stages of the process.

Within the AB 1246 process, the multi-county designated transportation planning agency shall convene at least two meetings annually of representatives from each of the four commissions, the agency, and the Department of Transportation for the following purposes:

- (a) To review and discuss the near-term transportation improvement programs prior to adoption by the commissions.
- (b) To review and discuss the regional transportation plan prior to adoption by the agency pursuant to Chapter 2.5 (commencing with Section 65080) of Title 7 of the Government Code.
- (c) To consider progress in the development of a regionwide and unified public transit system.
- (d) To review and discuss any other matter of mutual concern.

The Regional Transportation Agencies Coalition is currently fulfilling the function of the AB 1246 process.

SCAG has a memorandum of understanding (MOU) with the South Coast Air Quality Management District (SCAQMD) on transportation and air quality conformity consultation procedures for the South Coast Air Basin and for the Riverside County portions of the Salton Sea Air Basin and the Mojave Desert Air Basin. Parties to the MOU include: SCAQMD, Los Angeles County Metropolitan Transportation Authority, Orange County Transportation Authority, Riverside County Transportation Commission, San Bernardino Associated Governments, California Department of Transportation (Caltrans), California Air Resource Board, and the Federal Highway Administration.

Likewise, SCAG has an MOU for transportation and air quality conformity consultation procedures with the Ventura County Air Pollution Control District (VCAPCD) for the Ventura County portion of the South Central Coast Air Basin (SCCAB). Parties to the MOU include: VCAPCD, Ventura County Transportation Commission, Caltrans, California Air Resources Board, Federal Highway Administration and the Federal Transit Administration.

To support interagency coordination and fulfill the interagency consultation requirements of the Federal Transportation Conformity Rule, SCAG participates in the Transportation Conformity Working Group (TCWG). The group meets on a

monthly basis to address and resolve regional issues pertaining to transportation conformity for the RTP, RTIP, RTP and TIP amendments and the region's air quality management plans.

Participants in the Southern California TCWG include representatives from federal, state, regional and sub-regional agencies such as the United States Environmental Protection Agency (both national and regional representatives), Federal Highway Administration, Federal Transit Administration, California Air Resources Board, California Department of Transportation, Air Quality Management Districts, SCAG, and County Transportation Commissions.

### **Interested Parties**

To ensure compliance with SAFETEA-LU requirements and other federal and state mandates, SCAG intends to target the following participants in the region:

- citizens
- affected public agencies
- representatives of transportation agency employees
- freight shippers
- providers of freight transportation services
- private providers of transportation
- representatives of users of public transit
- representatives of users of pedestrian walkways and bicycle transportation facilities
- representatives of the disabled
- Tribal Governments
- transit operators
- governmental agencies and non-profit organizations that receive Federal assistance from a source other than the Department of Transportation (DOT) to provide non-emergency transportation services and recipients of assistance under section 204 of Title 23 U.S.C .
- and other interested parties (e.g. subregions, ethnic and minority groups, older and retired persons, special interest non-profit agencies, environmental groups, educational institutions, women's organizations, private sector)

The following goals and procedures are designed to encourage participation and provide opportunities to comment on the development and approval of SCAG's RTPs, RTIPs, the Regional Comprehensive Plan, (In addition to this Plan, SCAG adheres to the public process required by CEQA for our PEIR and related environmental review documents.) and other products prepared by SCAG that statutorily require public participation or for which the Regional Council determines is necessary.

## **Public Participation Plan Goals**

The five primary goals of SCAG's Public Participation Plan include:

- Goal 1:** Implement an open and ongoing participation process that ensures citizen, agency and interested party participation in, and input into, regional transportation planning and programming.
- Goal 2:** Provide full public access and information to key decisions in the regional transportation planning process.
- Goal 3:** Disseminate clear, concise and timely information to citizens, affected agencies and interested parties.
- Goal 4:** Provide timely responses to issues, concerns, and comments raised by the public regarding the development and implementation of regional transportation plans, programs, and projects. Ensure that the comments received are considered and incorporated into the deliberations regarding proposed plans and programs.
- Goal 5:** Enhance the participation process including reaching out to those communities that have been underrepresented and/or underserved.

## **Public Participation Plan Procedures in Obtaining Goals\***

- Goal 1:** **Implement an open and ongoing participation process that ensures citizen, agency and interested party participation in, and input into, regional transportation planning and programming.**
  - SCAG's participation program will include public outreach and communications for all major plans and programs. This includes establishing procedures and responsibilities for (1) informing, involving and incorporating public opinion into the planning process, (2) consultative involvement of designated agencies (i.e., federal, state and local agencies, county transportation commissions and air quality management/pollution control districts) on technical data and modeling used in developing regional plans and determining transportation improvement program and regional transportation improvement program conformity, (3) designating lead staff persons who are knowledgeable about the entire planning process to be responsible for the participation program, and (4) providing adequate funds and staff resources to implement the participation program.
  - Stress the requirement to encourage, assess and provide for public participation to staff, consultants, stakeholder

\*Implementation of each procedure is contingent upon resource and budget availability.



organizations and others as well as stress the importance of an inclusionary process and dialogue and encourage staff to regard citizens, subregional organizations and agencies as working partners.

- Interact and seek input from a broad spectrum of interested stakeholders through various task forces and working groups that meet on a regular, on-going basis to review, discuss, and provide feedback on various SCAG initiatives, plans and programs.
- Integrate the outreach effort of the subregional organizations and transportation and air quality agencies into the SCAG process.
- Encourage proponents and opponents to participate in the regional planning process and acknowledge the value of their input.
- Update and maintain the contact databases and audience categories within the Communication and Management System (CMS). Expand current list categories to include the additional list of parties outlined in SAFETEA-LU. These contact databases should be reviewed and updated at least twice per year and on an on-going basis as individual changes occur.
- Provide outreach to citizens, groups, agencies and subregional organizations and inform them of how their involvement has affected the plan.
- Assemble, organize and equip a participation and outreach team of transportation planners, environmental planners, analysts and other technical staff, public affairs staff, management staff, and elected officials to conduct presentations, hold briefings, workshops, hearings, during the year to diverse groups and organizations throughout the region.
- Conduct hands-on, interactive workshops such as the Compass workshops, to encourage community involvement and participation and obtain feedback from local residents, regional stakeholders and local governments (planners, demographers, and elected officials).

- Provide outreach assistance, including to under-represented areas, using Member Relations Officers who are geographically focused and knowledgeable on the issues of the subregion.
- Train staff in effective communication and public relations skills by providing clear, consistent and concise primary messages for media and public involvement and interaction.
- Complete target group and media mailing lists for targeted audiences and determine the best methods for distributing information: speaker's bureau, fact sheets, brochures, flyers, white papers, plan summaries, newsletters, PowerPoint presentations, press releases, public service announcements, press advisories, press conferences, telephone and personal interviews.
- Develop memoranda of understanding or agreements with appropriate agencies, as needed.
- Participate in regular monthly meetings with the CEOs of the county transportation commissions.

**Goal 2: Provide full public access and information to key decisions in the regional transportation planning process.**

- Utilize SCAG's web site to provide information, announce draft and final plan releases, encourage feedback and comments from the public, make draft and final plans and corresponding documents available, provide contact information, educate about SCAG and SCAG initiatives, inform of upcoming events and meetings, post meeting agendas and minutes and provide publications. Ensure that the information available is easy-to-read and accessible and that the web site is compliant with the 1990 Americans with Disabilities Act.
- Post public notices of the draft product in at least one major newspaper in each of the six member counties and include community newspapers and ethnic press.
- Follow-up on public notices to increase participation. Assign staff to look out for non-participating public interests.
- Conduct at least one public hearing for the draft RTP, TIP and EIR and other major plans as needed. Announce public hearings in printed materials, on SCAG's web site, and in local

newspapers. Provide translation services at these hearings, if needed.

- Develop procedures for public hearings. Include the time to be allotted to each speaker and how the order of appearance is determined. A written explanation of adopted procedures should be distributed to participants both prior to and at the hearing. Make arrangements for the submission of written statements in addition to verbal comments.
- Hold monthly meetings with the subregional coordinators to review upcoming Regional Council and Policy Committee agendas and conduct other coordinating activities.
- Keep interested parties informed with progress reports during the product development, review and adoption phases.

**Goal 3: Disseminate clear, concise and timely information to citizens, affected agencies and interested parties.**

- SCAG, together with its subregional partners and other stakeholder organizations, will notify interested parties through traditional meeting announcements, newspapers, public service announcements, press releases, special mailers, publications and agendas of committees, meetings, workshops, briefings, web site postings, email communications and other opportunities to participate, as appropriate.
- Make electronically accessible to the public, all draft and final plans, fact sheets, publications such as *Your Guide to SCAG*, the *Benefits of Membership*, *Member Handbook* and the *Legislative Reference Guide*, the Overall Work Program, the eVision newsletter, key PowerPoint presentations, meeting agendas and minutes, data and other planning-related information, and a calendar of upcoming events on SCAG's web site at [www.scag.ca.gov](http://www.scag.ca.gov). Encourage public involvement on the web site. Ensure that the information provided is timely, accessible and easy-to-understand.
- Provide complete and easy-to-understand information, including summaries and one-page fact sheets on major plans and initiatives at the beginning of and throughout the planning process and define the issues and alternatives in a concise, straightforward and consistent manner.

- Update annually and disseminate SCAG's citizen guide "Your Guide to SCAG" which succinctly informs the public about SCAG and the regional planning process, highlights major SCAG initiatives, cites the importance of public involvement, invites participation, and identifies key contacts.
- Provide updated information about SCAG's activities, plans, actions, upcoming events, legislative efforts, and subregional activities in the eVision electronic newsletter which is disseminated to local elected officials, legislators, subregions, commissions, air districts, other interested parties and members of the public at least eight times per year. The eVision newsletter is accessible through SCAG's web site. In addition, archival copies are readily available on the site.
- Maintain and update media mailing lists that include metropolitan and local community newspapers, radio, television and cable outlets, trade journals, wire services, ethnic and foreign-language media, government and legal publications and special interest press directed at older Americans, the disabled, Native Americans and students.
- Implement the media outreach strategies contained in the agency's overall Communications Strategy. This includes press releases, media advisories, calendar advisories, media interviews on television and radio talk shows and public affairs programs, public notices, op-ed articles in local newspapers, editorial board meetings, development of consistent media messages on major SCAG initiatives, and outreach to ethnic and foreign language press.
- Develop printed materials, fact sheets, brochures, summaries, fliers, pocket guides, promotional literature, PowerPoint presentations, relating to SCAG and SCAG's initiatives and other publications for general population distribution in concise, understandable, non-technical language.
- Maintain an updated calendar of events on SCAG's web site, accessible 24 hours a day, 7 days a week.
- Translate the most significant web site information and printed materials into other languages when needed and contingent upon resource and budget availability. Include the ethnic press in media advisories, press releases, press conference notifications, calendar advisories and other media

communications. Maintain and update ethnic press contacts in the media contact database.

- Disseminate the *Challenges Facing Southern California* brochure at meetings, conferences, through mailings, and in SCAG's lobby area which highlights SCAG's major initiatives, invites participation within the community, solicits feedback and encourages citizens to "Get Informed and Get Involved."
- Make presentations on various SCAG initiatives throughout the region to citizens, community groups, environmental groups, business organizations, minorities, faith-based organizations, subregions, other stakeholders, and other interested parties. Staff throughout the organization, along with Regional Council members, will conduct the presentations. Determine the appropriate staff and agency representatives to speak on policy, technical and media issues. Staff will proactively encourage presentations be included on various meeting agendas.
- Prepare technical and non-technical PowerPoint presentations for workshop, conference, hearings and other meeting use to showcase SCAG and SCAG's initiatives and simplify the regional planning process. Ensure that the presentations are easy-to-understand, interesting, and invites participation and involvement. Utilize graphics and animation to make the presentations more interesting and inviting. Tailor presentations to the audience by including subregional statistics and addressing primary areas of audience concern. Enhancements to the presentations should be based on community input and speaker feedback. Maintain a library of all PowerPoint presentations created. Post relevant PowerPoint presentations on SCAG's web site for public access.
- Utilize visualization techniques whenever possible such as maps, videos, PowerPoint presentations with graphics and animation, flowcharts, computer simulation, interactive GIS systems, photorealistic visualizations, video fly-throughs, illustrative drawings, simulated photos, sketches, and photo manipulation scenario planning tools to better and more easily communicate technical planning issues and strategies.
- Design and display a modular exhibit for "on-the-road" presentations and exhibit tables at conferences, workshops, meetings and other public events. The exhibit will be visually appealing and will graphically showcase SCAG's major planning initiatives to diverse audiences. This exhibit will increase the

public's awareness of the work of SCAG and the importance of public involvement.

- Explore new opportunities using state-of-the-art communications and information technology for reaching remote audiences.

**Goal 4: Provide timely responses to issues, concerns, and comments raised by the public regarding the development and implementation of regional transportation plans, programs, and projects. Ensure that the comments received are considered and incorporated into the deliberations regarding proposed plans and programs.**

- SCAG will review and consider all public comments in the regional transportation planning process. Comments will be recorded, tracked and maintained through the Communication Management Software System (CMS). The system will provide a list of all comments received, the name of the commenter, the comment date, the topic, the comment message, and SCAG's response to the comment. All comments received will be responded to in a timely manner.
- Evaluate public comments received throughout the planning process and assess whether, and to what extent, modifications were made in the draft documents as a result of the comments received.

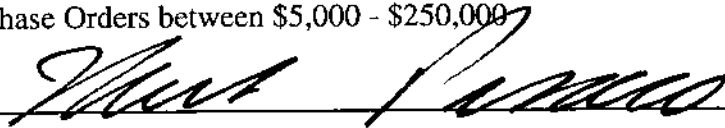
**Goal 5: Enhance the participation process including seeking out and considering the needs of traditionally underrepresented and/or underserved persons. Ensure that minority and low-income persons have meaningful access to the public outreach and involvement activities.**

- Coordinate with individuals, institutions or organizations to reach out to members in the affected minority and/or low income communities.
- Choose an event site and time convenient for participants. All events should be fully accessible to all citizens, including disabled, low-income and minority communities. Encourage the participation of elected officials at events and hearings.
- Provide assistance, if requested 14 days prior to the event, to people with disabilities, including individuals who are blind, have low-vision or are hearing impaired.

- Provide language assistance, if requested 14 days prior to the event, to Limited English Proficient Persons.
- Evaluate public participation efforts at the end of each phase of the planning process so that necessary modifications can be made for subsequent phases. Provide recommended strategies to enhance the outreach program and better serve the underrepresented segments of the region.
- Annually update the agency's overall Communications Strategy and seek Regional Council approval of the plan and recommended strategies.
- Develop and adopt a plan for providing language assistance for persons with limited English proficiency (LEP Plan).
- Maintain an outreach calendar of presentations, workshops and hearings which will enable staff to map presentations to determine geographically where we've been, the type of audience and the topic thus enhancing our ability to strengthen outreach to underrepresented areas. The goal is to average at least 15 presentations per month.
- Consider budgeting for occasional public opinion surveys of community interests and needs to determine public opinion on regional issues.
- Consider budgeting for surveys of demonstration project participants (such as Compass Blueprint) to provide better, more efficient services.
- Assess how effective the agency's communication strategies have been in impacting public policy. Consider conducting surveys of members, partners, stakeholders early in the planning process and again later to determine the affect of the communication effort.

# MEMO

**DATE:** December 14, 2006  
**TO:** Administration Committee  
Regional Council  
**FROM:** Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov  
**SUBJECT:** Contracts and Purchase Orders between \$5,000 - \$250,000



## BACKGROUND:

### SCAG executed the following Contract(s) between \$5,000 and \$250,000

- GIS Consultants \$ 22,546  
Parcel Data Consortium Development

### SCAG executed the following Purchase Order(s) between \$5,000 and \$250,000

- Dell Marketing \$18,505.08  
Replace GIS Server and ARCIMS Server
- Dell Marketing \$ 5,570.86  
RTIP Development Server and Google Earth Demo Laptop
- Dell Marketing \$ 8,788.30  
TransCAD PC's
- Millennium Biltmore Hotel \$ 8,750.00  
SCAG Staff Retreat
- Software Spectrum \$ 5,091.28  
SAP & Windows Server Software, MSelect Windows Server Software




# MEMO

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## FISCAL IMPACT:

None. Funding is available.

Reviewed by:

  
\_\_\_\_\_  
*Chief Financial Officer*

# MEMO

**DATE:** December 1, 2006  
**TO:** Administration Committee and Regional Council  
**FROM:** Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov  
**SUBJECT:** CFO Monthly Report for September/October 2006



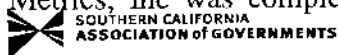
## BACKGROUND:

**Accounting:** In addition to its day-to-day accounting responsibilities in September, the Accounting section devoted significant time to the start of the annual FY06 fiscal audit. Meetings, schedules, procedures and due dates for documentation requested by the external auditor were established and completed. The firm of Vasquez & Co. is a new firm engaged to perform the external audit. The firm completed its field audit work and is currently preparing the financial statements.

A preliminary actuarial report was presented to the CFO and staff by Bartel & Associates. Their work pertains to certain accounting changes required to be implemented by FY09. Bartel was engaged to estimate unfunded actuarial accrued liabilities for post-retirement employee benefits. An updated report is expected in mid November. The accounting staff is also re-examining the supplemental defined benefit retirement plan for 11 retirees established by the Regional Council in 2001. Funding and investment strategies are being examined as a pre-requisite to prepare a final recommendation to the RC.

**Budget and Grants:** During September and October the Budget and Grants section accomplished the following: Prepared and submitted FY07 OWP Amendment 2 to Caltrans; began preparation of FY07 OWP Amendment #3; initiated the 07-08 OWP development process including: analyzing current year project activity to identify carryover work; refining the project request format; conducting training with SCAG and sub-regional staff; beginning the project request process; and providing technical support to staff and sub-regions. Additional activities: coordinated preparation of 06-07 1st Quarterly Progress Report and submitted it to Caltrans; coordinated preparation and review of Caltrans Planning Grants and submitted to Caltrans; assisted in the completion of a Twelve Month Policy Agenda for the RC and Committees; assisted in completion and submittal of Year Two Blueprint Planning Grant applications to Caltrans; provided financial and grant compliance support to program staff for several discretionary grant projects including Blueprint and Goods Movement; continued work on MOUs for various special grant projects in consultation with legal and program staff

**Contracts:** During the month of October, 2006, the Contracts Division executed three Continuing Cooperative Agreements (CCA's); with Arroyo Verdugo Cities, City of Los Angeles, and with SANBAG. Subsequent to these CCA's being executed, one contract and four contract amendments were issued to various Consultants. Contracts for the Federal and the State Lobbyists were funded through their respective contract completion dates. A Pre-Award Audit of Systems Metrics, Inc was completed for additional scope to be added to the existing RTP development



# MEMO

contract. A Proposal Review Committee selected System Metrics, Inc. for award of the I-405/I-210 Template Study. Members of the Contracts Division Staff attended two Federal Acquisition training seminars, California Multiple Award Schedule (CMAS) training, and a Disadvantaged Business Enterprise (DBE) a Cluster meeting.

## **FISCAL IMPACT:**

There is no fiscal impact.

Reviewed by:

  
\_\_\_\_\_  
*Chief Financial Officer*

**Southern California Association of Governments**  
**Total Budget vs. Actual Expenditures and Encumbrances**  
**For the Three Months Ended September 30, 2006**

<b>Line Item Description</b>	<b>Annual Budget</b>	<b>Three Month Expenditures</b>	<b>% Budget Expended</b>	<b>Budget Balance</b>	<b>% Budget Remaining</b>	<b>Encumbrances (1)</b>	
						<b>Contracts &amp;</b>	<b>Purchasing</b>
Salaries and Fringe Benefits	\$15,315,193	\$2,913,052	19%	\$12,402,141	81%	\$197,870	
Consultants & Professional Services	17,794,082	574,335	3%	17,219,747	97%	14,829,181	
Sub Region Consultants & Staff Projects	4,268,112	-	0%	4,268,112	100%	3,980,478	
Direct & Indirect Costs	5,297,219	967,902	18%	4,329,317	82%	1,534,952	
All Other	3,968,279	-	0%	3,968,279	100%	-	
<b>Total</b>	<b>\$46,642,885</b>	<b>\$4,455,289</b>	<b>10%</b>	<b>\$42,187,596</b>	<b>90%</b>	<b>\$20,542,481</b>	

1. Encumbrances are the remaining balances of contracts or purchase orders, which have been committed.  
The encumbrance is used for project budget purposes and not for accounting.

**Southern California Association of Governments**  
**General Fund Budget vs. Actual Expenditures and Encumbrances**  
**For the Three Months Ended September 30, 2006**

Line Item Description	Annual GF Budget	Three Month Expenditures	% Budget Expended	Budget Balance	% Budget Remaining	Encumbrances (1.)	
						Contracts & Purchasing	
Salaries and Fringe Benefits	\$190,001	\$13,961	7%	\$176,040	93%		\$0
Consultant and Professional Services	513,050	-	0%	513,050	100%		347,227
Regional Council (RC) Support	332,700	39,882	12%	292,818	88%		15,881
RC Special Projects and Sponsorships	109,800	162	0%	109,638	100%		83,949
All other Budget Categories	393,953	8,906	2%	385,047	98%		10,000
<b>Total</b>	<b>\$1,539,504</b>	<b>\$62,911</b>	<b>4%</b>	<b>\$1,476,593</b>	<b>96%</b>		<b>\$457,057</b>

1. Encumbrances are the remaining balances of contracts or purchase orders, which have been committed.  
The encumbrance is used for project budget purposes and not for accounting.

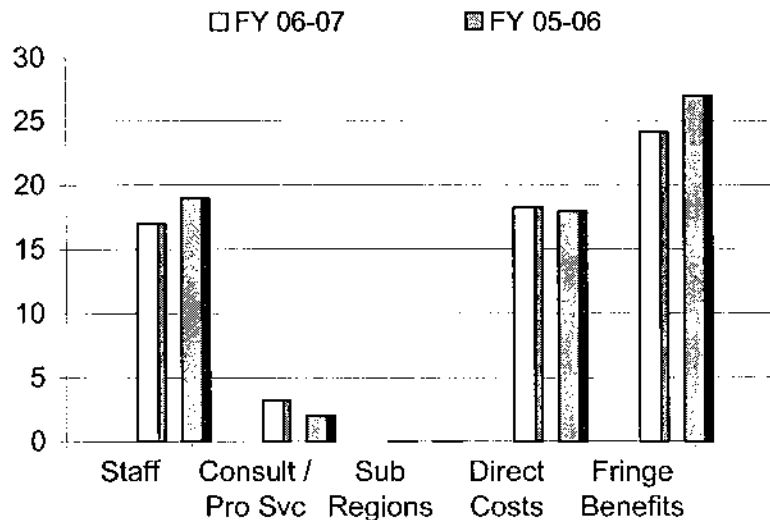
**Budget v. Actual and Encumbrances  
Through September - 25% of Year**

		Yr to Date Expenditures Thru Sep	Balance	Pct of Bud	Encum- brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
	Budget							
<b>Staff</b>								
Salaries	10,627,028	1,749,382	8,877,645	16%	-	1,749,382	8,877,645	16%
Temporary Help	395,920	127,924	267,996	32%	197,870	325,794	70,126	82%
	<b>11,022,948</b>	<b>1,877,306</b>	<b>9,145,641</b>	<b>17%</b>	<b>197,870</b>	<b>2,075,176</b>	<b>8,947,771</b>	<b>19%</b>
<b>Consultant / Professional Services</b>								
SCAG Consultant	17,249,082	567,144	16,681,938	3%	14,571,162	15,138,305	2,110,777	88%
Legal Services	535,000	7,191	527,809	1%	250,519	257,710	277,290	48%
Professional Services	10,000	0	10,000	0%	7,500	7,500	2,500	75%
	<b>17,794,082</b>	<b>574,335</b>	<b>17,219,747</b>	<b>3%</b>	<b>14,829,181</b>	<b>15,403,515</b>	<b>2,390,567</b>	<b>87%</b>
<b>Sub Regions</b>								
Subregional Consultant	3,021,696	0	3,021,696	0%	2,745,585	2,745,585	276,111	91%
Subregional Staff Projects	1,246,416	0	1,246,416	0%	1,234,893	1,234,893	11,523	99%
	<b>4,268,112</b>	<b>-</b>	<b>4,268,112</b>	<b>0%</b>	<b>3,980,478</b>	<b>3,980,478</b>	<b>287,634</b>	<b>93%</b>
<b>Direct Costs</b>								
Internet Access Fees	3,000	618	2,382	21%	1,815	2,433	567	81%
Software Support	506,363	57,467	448,896	11%	210	57,677	448,686	11%
Hardware Support	57,000	9,131	47,869	16%	25,206	34,337	22,663	60%
Repair - Maintenance	0	0	0	0%	-	0	0	0%
Software Purchases	30,000	5,656	24,344	19%	8,193	13,849	16,151	46%
Office Rent - Main Office	1,200,807	319,521	881,286	27%	649,717	969,239	231,568	81%
Office Rent - Satellite Office	56,000	13,797	42,203	25%	32,528	46,325	9,675	83%
Equipment Leases	511,247	112,282	398,965	22%	293,587	405,869	105,378	79%
Equipment Repairs	34,730	559	34,171	2%	10,133	10,693	24,037	31%
Insurance	183,985	178,626	5,359	97%	-	178,626	5,359	97%
Payroll and Bank Process Fee	34,500	5,794	28,706	17%	4,200	9,994	24,506	29%
Office Supplies	115,500	19,060	96,440	17%	78,689	97,748	17,752	85%
Office Maintenance	-	-	-	0%	-	-	0	0%
Small Office Purchase	498,795	35,636	463,159	7%	64,647	100,283	398,512	20%
Telephone Charges	90,526	11,949	78,577	13%	419	12,368	78,158	14%
Postage and Delivery	82,000	12,571	69,429	15%	40,788	53,359	28,641	65%
SCAG Memberships	97,814	65,104	32,710	67%	-	65,104	32,710	67%
Professional Memberships	10,980	1,091	9,889	10%	584	1,675	9,305	15%
Resource Materials and Subs	43,550	8,526	35,024	20%	64,833	73,359	(29,809)	168%
Depreciation - Furniture	5,000	2,898	2,102	58%	-	2,898	2,102	58%
Depreciation - Computer	40,000	11,330	28,670	28%	-	11,330	28,670	28%
Amortization Lease	0	574	(574)	0%	-	574	(574)	0%
Capital Outlay	44,000	-	44,000	0%	-	0	44,000	0%
Recruitment Notices	25,000	4,968	20,032	20%	23,451	28,419	(3,419)	114%
Public Notices	65,000	1,022	63,978	2%	-	1,022	63,978	2%
Staff Training	181,000	10,268	170,732	6%	82,478	92,746	88,254	51%
RC & Committee Meetings	22,000	2,676	19,324	12%	10,107	12,783	9,217	58%
RC Retreat	17,500	-	17,500	0%	-	-	17,500	0%
RC General Assembly	17,500	-	17,500	0%	-	-	17,500	0%
Other Meeting Expense	51,500	410	51,090	1%	673	1,083	50,417	2%
Miscellaneous	168,583	6,468	162,115	4%	9,316	15,784	152,799	9%
RC Meeting Stipends	130,000	23,365	106,635	18%	-	23,365	106,635	18%
Letter of Credit Interest	75,000	0	75,000	0%	-	0	75,000	0%
Caltrans Rapid Pay Fees	1,000	225	775	23%	-	225	775	23%
Cash Contributions to Project	246,839	0	246,839	0%	-	0	246,839	0%
Printing	190,000	25	189,975	0%	49,429	49,454	140,546	26%
Travel	315,400	38,472	276,928	12%	-	38,472	276,928	12%
Travel - Lod > Per Diem	3,000	224	2,776	7%	-	224	2,776	7%
Travel - Event Registration	28,800	7,427	21,373	26%	-	7,427	21,373	26%
NARC BOARD EXPENSE	3,500	-	3,500	0%	-	-	3,500	0%
RC Special Projects	18,000	162	17,838	1%	60,500	60,662	(42,662)	337%
RC Sponsorships	91,800	0	91,800	0%	23,449	23,449	68,351	26%
	<b>5,297,219</b>	<b>967,902</b>	<b>4,329,317</b>	<b>18%</b>	<b>1,534,952</b>	<b>2,502,855</b>	<b>2,794,364</b>	<b>47%</b>

**Budget v. Actual and Encumbrances  
Through September - 25% of Year**

	Budget	Yr to Date Expenditures Thru Sep	Balance	Pct of Bud	Encum- brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
<b>Fringe Benefits</b>								
Vacation Accrual Reconciliatic	-	0	0	0%	-	0	0	0%
Severance Pay	-	0	0	0%	-	0	0	0%
Sick Leave Payback	-	0	0	0%	-	0	0	0%
Compensation Awards	-	0	0	0%	-	0	0	0%
Retirement - PERS	1,958,949	393,958	1,564,991	20%	-	393,958	1,564,991	20%
Retirement - PARS	58,045	14,803	43,242	26%	-	14,803	43,242	26%
Health Insurance	1,185,855	179,243	1,006,612	15%	-	179,243	1,006,612	15%
Dental Insurance	117,067	22,409	94,658	19%	-	22,409	94,658	19%
Vision Insurance	39,159	6,221	32,939	16%	-	6,221	32,939	16%
Life Insurance	95,000	19,858	75,142	21%	-	19,858	75,142	21%
Medical & Dental Cash Rebat	240,000	109,770	130,230	46%	-	109,770	130,230	46%
Medicare Tax	157,977	29,266	128,711	19%	-	29,266	128,711	19%
Tuition Reimbursements	5,000	0	5,000	0%	-	0	5,000	0%
Bus Passes	23,250	2,909	20,341	13%	-	2,909	20,341	13%
Carpool Reimbursements	4,120	525	3,595	13%	-	525	3,595	13%
Bus Passes - Taxable	54,000	14,474	39,526	27%	-	14,474	39,526	27%
Workers Comp Insurance	236,900	234,722	2,178	99%	-	234,722	2,178	99%
Misc. Employee Benefits	11,923	1,034	10,889	9%	-	1,034	10,889	9%
Unemployment Insurance	25,000	0	25,000	0%	-	0	25,000	0%
Deferred Comp Match	76,500	6,142	70,358	8%	-	6,142	70,358	8%
Benefit Administration Fees	3,500	412	3,088	12%	-	412	3,088	12%
	<b>4,292,245</b>	<b>1,035,746</b>	<b>3,256,500</b>	<b>24%</b>	-	<b>1,035,746</b>	<b>3,256,500</b>	<b>24%</b>
<b>Other</b>								
Soft Match Contributions	4,025,853	0	4,025,853	0%	-	0	4,025,853	0%
Exp - Local cash	170,625	0	170,625	0%	-	0	170,625	0%
Reconcile to Burden	(228,199)	0	(228,199)	0%	-	0	(228,199)	0%
	<b>3,968,279</b>	<b>0</b>	<b>3,968,279</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>3,968,279</b>	<b>0%</b>
<b>Grand totals:</b>	<b>46,642,885</b>	<b>4,455,289</b>	<b>42,187,596</b>	<b>10%</b>	<b>20,542,481</b>	<b>24,997,770</b>	<b>21,645,115</b>	<b>54%</b>

**% of Budget Spent @ 25% of year**



**Budget v. Actual and Encumbrances**  
**General Fund Only**  
**Through September - 25% of Year**

	Budget	Yr to Date Expenditures Thru Sep	Balance	Pct of Bud	Encum- brances	YTD Expenditures Plus Encumbrs	Balance	Pct of Bud
<b>Staff</b>								
Salaries	59,011	4,128	54,883	7%	-	4,128	54,883	7%
Fringe Burden	32,538	2,599	29,939	8%	-	2,599	29,939	8%
Indirect Burden	98,452	7,234	91,218	7%	-	7,234	91,218	7%
	<b>190,001</b>	<b>13,961</b>	<b>176,040</b>	<b>7%</b>	<b>-</b>	<b>13,961</b>	<b>176,040</b>	<b>7%</b>
<b>Consultant / Professional Services</b>								
SCAG Consultant	313,050	-	313,050	0%	247,227	247,227	65,823	79%
Legal Services	200,000	-	200,000	0%	100,000	100,000	100,000	50%
Professional Services	-	-	-	0%	-	-	-	0%
	<b>513,050</b>	<b>0</b>	<b>513,050</b>	<b>0%</b>	<b>347,227</b>	<b>347,227</b>	<b>165,823</b>	<b>68%</b>
<b>Regional Council Support</b>								
TRAINING	25,000	-	25,000	0%	-	-	25,000	0%
RC & Committee Meetings	22,000	2,676	19,324	12%	10,107	12,783	9,217	58%
RC Retreat	17,500	-	17,500	0%	-	-	17,500	0%
RC General Assembly	17,500	-	17,500	0%	-	-	17,500	0%
Other Meeting Expense	25,000	-	25,000	0%	117	117	24,883	0%
Miscellaneous	21,500	869	20,631	4%	5,657	6,526	14,974	30%
RC Meeting Stipends	130,000	23,365	106,635	18%	-	23,365	106,635	18%
Travel	63,700	12,748	50,952	20%	-	12,748	50,952	20%
Travel - Lod. > Per Diem	3,000	224	2,776	7%	-	224	2,776	7%
Travel - Event Registration	4,000	-	4,000	0%	-	-	4,000	0%
AMPO Board Expense	-	-	-	0%	-	-	-	0%
NARC BOARD EXPENSE	3,500	-	3,500	0%	-	-	3,500	0%
	<b>332,700</b>	<b>39,882</b>	<b>292,818</b>	<b>12%</b>	<b>15,881</b>	<b>55,763</b>	<b>276,937</b>	<b>17%</b>
<b>RC Special Projects and Sponsorships</b>								
RC Special Projects	18,000	162	17,838	1%	60,500	60,662	(42,662)	337%
RC Sponsorships	91,800	-	91,800	0%	23,449	23,449	68,351	26%
	<b>109,800</b>	<b>162</b>	<b>109,638</b>		<b>83,949</b>	<b>84,111</b>	<b>25,689</b>	
<b>All Other Budget Categories</b>								
Payroll Bank Fees	4,500	1,067	3,433	24%	-	1,067	3,433	24%
Office Supplies	-	-	-	0%	-	-	-	0%
SCAG Memberships	22,614	7,614	15,000	34%	-	7,614	15,000	34%
Capital Outlay	44,000	-	44,000	0%	-	-	44,000	0%
Recruitment Notice	-	-	-	0%	10,000	10,000	(10,000)	0%
Letter of Credit Interest	75,000	-	75,000	0%	-	-	75,000	0%
Caltrans Rapid Pay Fees	1,000	225	775	23%	-	225	775	23%
Cash Contributions to Projects	246,839	-	246,839	0%	-	-	246,839	0%
	<b>393,953</b>	<b>8,906</b>	<b>385,047</b>	<b>2%</b>	<b>10,000</b>	<b>18,906</b>	<b>375,047</b>	<b>5%</b>
<b>Grand totals:</b>	<b>1,539,504</b>	<b>62,911</b>	<b>1,476,593</b>	<b>4%</b>	<b>457,057</b>	<b>519,968</b>	<b>1,019,536</b>	<b>34%</b>



# MEMO

**DATE:** December 14, 2006  
**TO:** Regional Council  
**FROM:** Jeffrey S. Dunn, Government Affairs Analyst  
**SUBJECT:** November 2007 Election Results: Regional Impacts

## State Election

On November 6, 2007, voters went to the polls to determine numerous local and statewide races, as well as a large number of ballot propositions affecting transportation, housing, schools, water, energy, education, public campaign finance, and eminent domain.

A number of local elected officials won election to the State Legislature, including:

Michael Feuer – 42<sup>nd</sup> Assembly District  
Laura Richardson – 55<sup>th</sup> Assembly District  
Robert Huff – 60<sup>th</sup> Assembly District  
Jim Silva – 67<sup>th</sup> Assembly District  
Van Tran – 68<sup>th</sup> Assembly District  
Alex Padilla – 20<sup>th</sup> Senate District  
Lou Correa – 34<sup>th</sup> Senate District

The Assembly Speaker's Office reports that Fabian Nunez has been re-elected by the Assembly Democratic Caucus for another two-year term. Speaker Nunez has named Sally Lieber of Mountain View as Speaker pro tem and Assembly member Karen Bass of Los Angeles as Assembly Majority Floor Leader. The Assembly Republican Caucus reports that it has elected Assembly member Mike Villines of Clovis as the next Assembly Republican Leader. Villines succeeds Assembly member George Plescia of San Diego. At the time of this report the Senate leadership has not yet been announced.

## Federal Election

At the federal level, of California's 53 member congressional delegation, only two incumbents were replaced: Rep. Richard Pombo (R-11) was defeated by Jerry McNerney (D-11), and in the SCAG region, Rep. Bill Thomas (R-22), outgoing Chair of the House Ways and Means Committee, retired and was replaced by his former district director, Kevin McCarthy (R-22). Representative-elect McCarthy comes to Congress as a former party leader in the state assembly, and has identified local issues important to his district such as agriculture, oil, transportation, aerospace and the military as foremost on his agenda. The other 28 incumbent congressional members of the SCAG region were re-elected and are included in the footnote of this report.<sup>1</sup>

Nancy Pelosi of San Francisco will be the Speaker of the House of the 110<sup>th</sup> Congress. Additionally, the Congressional Democratic Caucus elected Steny H. Hoyer of Maryland as Majority Leader. The caucus also

# MEMO

unanimously elected James E. Clyburn of South Carolina as majority whip and Rahm Emanuel of Illinois as chairman of the Democratic Caucus. The House GOP leadership had not been selected as of the writing of this report.

On the Senate side, Senator Harry Reid of Nevada will be the Senate Majority Leader for the 110<sup>th</sup> Congress. Other Senate majority leaders include Senator Robert Byrd of West Virginia as the Senate President Pro Tempore, Senator Dick Durbin of Illinois as Assistant Majority Leader, and Senator Barbara Boxer of California as Chief Deputy Whip. New Republican Senatorial leadership will be Senator Mitch McConnell of Kentucky as Minority Leader, and Senator Trent Lott of Mississippi replacing Rick Santorum of Pennsylvania as the new Minority Whip. Arizona Senator Jon Kyl was made Senate Republican Conference chairman.

California Senator Diane Feinstein easily won re-election. Senate Majority Leader-Elect Harry Reid has announced Committee chairs for the 110<sup>th</sup> Congress and Senator Feinstein is Chair of the Senate Rules Committee, Senator Boxer is Chair of the Senate Environment and Public Works Committee. Additionally, Senator Boxer was the Chair of the Senate Goods Movement Caucus. Because TEA legislation goes through the Environment and Public Works Committee, the California senatorial delegation is well positioned to assist our efforts to provide federal help on the many transportation and goods movement challenges facing the region.

## FISCAL IMPACT:

There is no fiscal impact upon SCAG.

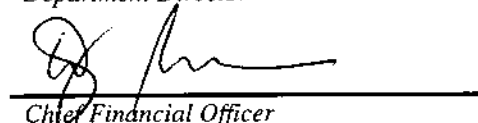
Reviewed by:

  
Division Manager

Reviewed by:

  
Department Director

Reviewed by:

  
Chief Financial Officer

<sup>i</sup> Joe Baca (D-43)  
Xavier Becerra (D-31)  
Howard Berman (D-28)  
Darrell Issa (R-49)  
Mary Bono (R-45)  
Ken Calvert (R-44)  
Lois Capps (D-23)  
John Campbell (R-48)  
David Dreier (R-26)  
Bob Filner (D-51)

Elton Gallegly (R-24)  
Jane Harmon (D-36)  
Duncan Hunter (R-52)  
Adam Schiff (D-29)  
Jerry Lewis (R-41)  
Howard P. McKeon (R-25)  
Juanita Millender-McDonald (D-37)  
Gary Miller (R-42)  
Grace Napolitano (D-38)  
Dana Rohrabacher (R-46)

Lucille Roybal-Allard (D-34)  
Linda Sanchez (D-39)  
Loretta Sanchez (D-47)  
Brad Sherman (D-27)  
Hilda Solis (D-32)  
Maxine Waters (D-35)  
Diane Watson (D-33)  
Henry Waxman (D-30)

# **Fulbright & Jaworski I.L.P.**

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Los Angeles, California 90071  
www.fulbright.com

## **MEMORANDUM**

**TO:** Executive Committee  
Administrative Committee  
Regional Council

**FROM:** Colin Lennard, General Counsel

**DATE:** December 1, 2006

**RE:** Policy Regarding Staff Communications

---

Pursuant to the request of the Executive Committee, I have been asked to present to the Administrative Committee and the Regional Council, a draft policy for members of the Regional Council and Policy Committees in the event they are approached by any SCAG staff member with complaints, concerns, or issues regarding SCAG personnel issues, SCAG policy positions adopted or proposed by SCAG management, or issues concerning other staff members.

The attached proposed policy addresses the fact that there exists no policy at present and will provide a consistent approach and response to all staff member's communications to individual members of the Regional Council and Policy Committees.

This policy is in no way intended to interfere with or prevent individual staff members from exercising their right to contact or communicate with individual members of the Regional Council or Policy Committees.

**SCAG POLICY RELATING TO  
INDIVIDUAL STAFF MEMBERS COMMUNICATIONS  
WITH THE REGIONAL COUNCIL OR POLICY COMMITTEES**

In the event any member of the SCAG Regional Council, Administrative Committee or Policy Committee receives a communication from a SCAG staff member (whether orally or in writing) setting forth a complaint about SCAG management or other staff member(s), or stating a concern regarding personnel or other policies, procedures, or actions taken by SCAG management, the member shall refer the matter in writing directly to the Executive Director and the Human Resources Manager for investigation and corrective action if necessary, with a copy to the President. The Executive Director and the Human Resources Manager shall investigate the issue and report the results of the investigation and any proposed corrective action to the member and the President within 10 days of receipt of the referral.

Notwithstanding the foregoing, if the concern raised by the staff member involves a matter relating to the Executive Director or the Human Resources Manager personally, the member may refer the issue directly to the President and the Executive Committee which shall investigate the matter and, after consulting with counsel, decide the corrective action to be taken, if any, and report the results of the investigation to the Regional Council.

# MEMO

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**DATE:** December 14, 2006

**TO:** Executive Committee  
Regional Council

**FROM:** Mark A. Pisano, Executive Director  
[pisano@scag.ca.gov](mailto:pisano@scag.ca.gov)

**SUBJECT:** Performance Agreement

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The Executive Committee provided comments and suggested changes to my 2006/2007 Performance Agreement at the November 2006 meeting. I have incorporated the Executive Committee's comments and am submitting my updated agreement for your review and approval.

The Performance Agreement is a foundation for the work that is performed for me and the agreements for each staff member of the agency. Additionally, they are the basis for the mid-year and annual evaluation process for me and the staff. The mid-year process is currently underway.

**Executive Director**  
**Performance Agreement**  
**July 1, 2006 - June 30, 2007**

**Leadership, Vision and Progress which promote economic growth, personal well being, and livable communities for all Southern California.**

Last year the Regional Council set out guidance for the current planning cycle. That guidance was reflected in our performance agreements last year. Most of the work activities will continue this year with some modifications or additions which are reflected in my agreement for this year.

Each member of the staff will describe how their performance agreement contributes either directly by producing outcomes that achieves the mission or indirectly by developing inputs that help support the mission. Additionally, our agreements reflect the organization's Strategic Plan adopted in November 2002 and amended February 2004. A key objective of the Strategic Plan is that SCAG be the pre-eminent regional institution for the region, thus SCAG will strive for excellence in all our efforts and will develop performance measures that will measure our contributions to our Mission. We will also hold ourselves accountable to these performance measures in our evaluation process.

***I. Develop long-range regional plans and strategies that provide for efficient movement of people, goods and information; enhance economic growth and international trade; and improve the environment and quality of life.***

A. Coordinate the Regional Housing Needs Assessment (RHNA) and the Regional Growth Forecast and incorporate this forecast into the Regional Transportation Plan (RTP) and the Regional Comprehensive Plan (RCP). Finalize the Draft RCP for all the categories identified on Page 10 of the Strategic Plan and prepare a draft EIR for the Plan. Each of the sections will follow the outcome and performance objective framework that we pioneered in the last RTP. We will develop a funding plan for the Regional Housing Needs Assessment.

B. Work with SCAG members, the Governor and the legislature to develop a CEQA process which uses regional integrated planning as the regional analysis for local plans and projects environmental analysis and review. In order to accomplish this I will take the lead in creating partnerships and seek funding from State and regional agencies that will be needed to integrate into existing SCAG responsibilities so that we can complete the draft RCP, i.e., habitat, water supply, water quality, solid waste, and energy chapters.

C. Review and revise the growth forecast using the progress we are making on the 2% Strategy and local input. Incorporate the growth forecast into the transportation plan, the air quality plan and the housing needs allocation. The Regional Transportation Plan will reflect all the changes required by SAFETEA-LU. The Air Quality Plan will require an attainment strategy for goods movement.

D. Continue corridor planning using the Regional Significant Transportation Investment Peer Review Group. The corridors under review are listed in the 2006/2007 OWP. A key element of our review will be the relationship between the corridors and the regional growth patterns described by the Compass Policy and the Regional Growth Forecast.

E. Transit Planning will focus on the land-use, housing and transit relationship as well as the increased efficiency that the 2% Strategy will create for transit productivity. We will also focus on the financial leverage that land-use can create for transit capital and operations.

F. Financial Planning will focus on developing a financially constrained RTP. Additionally, our financial planning will develop the finance section of the RCP.

## ***II. Implement Plans by linking regional policies and incubator projects - Outlined in the Strategic Plan.***

A. Implement our Compass Blueprint Program through the guidance of the Compass Partnership, a public/private community advisory structure. The demonstration projects of the past year will be expanded to a critical mass of 30-50 cities and counties, as funding becomes available. We will assist these cities with our package of tools and our educational outreach program. I will take the lead in seeking State legislation providing for CEQA streamlining and financial assistance in the 2% Strategy area. We will use our Intergovernmental Review Program to assist on the tracking of 2% Strategy projects.

B. Develop a public/private framework agreement for the Regional Goods Movement Strategy that will finance both capital expansion and environmental/community impact mitigation. I will work with our local, regional, state and federal partners to develop a framework for an institutional structure that will implement appropriate financial structures and administer the EIS/EIR process.

C. I will assist in the formation of a high speed connector Joint Powers Agency starting with the Cities of LA and Ontario. Develop a plan to finance the system. We will complete Phase II feasibility study undertaken by Lockheed and the alternatives analysis undertaken jointly with our partners to be used as a part of the EIS/EIR.

D. I will work with our members, primarily the City of LA, to develop parameters for a regional aviation consortium and help the City of LA to develop an implementation strategy that is consistent with the regional aviation plan.

E. Bring forward a series of RTP amendments that are financially constrained and conform to the Federal Clean Air Act and Transportation Conformity requirements. The TIP will also be brought into line with SAFETEA-Lu requirements this year.

### ***III. Providing quality information services and analyses for the region.***

#### **A. Information Services**

1. Continue the development of the Integrated Regional Information System (IRIS) to facilitate data sharing for members, partners and internally. The IRIS will also be a useful tool to support regional planning, analysis and monitoring. This year the following is expected to be completed, identification of user requirements, the establishment of business needs and the business rules for the system.
2. Use the GIS databases that are part of IRIS in conjunction with SCAG's Interactive Atlas, Web Accessible Geographic System (WAG's), and LA LOTS. These tools can be used for planning, the EIR, the Compass 2% Strategy work, the growth forecast and the chapters of the RCP. These databases and tools will also provide input to our model development.
3. Complete the RTIP Database Program in coordination with the County Commissions and the state.
4. Finalize the revision of the Transportation Model by incorporating the Origination & Destination survey, the truck model, and the new zone system. The new model will be brought on line in time to do production runs for the RTP portion of the RCP and the RTIP. The model will also be used to serve as the basis for a performance based review of projects, programs, and strategies in the RTP and for the projects in the RTIP.
5. Accelerate the development of Transcad as an operational software tool for modeling support and conversion of the transportation model.
6. Complete the expansion of the existing LA LOTS interactive, web-based data program to provide coverage to the entire 6-county SCAG region.

#### **B. Regional Analysis**

1. Complete the State of the Region Report.
2. Work with the other regions in the State to develop the first State of the Regions Report. This statewide report will be based on a region by region report of key indicators that will provide a status of quality of life and personal well-being in California. It is being done in conjunction with the Business, Transportation and Housing Agency (through Caltrans) and CalCog.
3. Complete the State of the Commute Report so that it can be used in the RTP and RTIP process.



***IV. Using an inclusive decision-making process that resolves conflicts and encourages trust.***

A. I will ensure timely, coordinated and accurate support for the Regional Council, Committees and task forces. Continue to improve upon the agenda process improvements that were started this year. Develop a standardized format to provide options and alternatives analysis in staff submittals.

B. Support the Communications and Membership Committee in development and implementation of a regional leadership program.

C. I and key staff will continue to inform our members of the benefits of SCAG as part of our commitment to retain, engage and proactively interact with our members. One tool to achieve this is for me and key staff to attend City Manager's Meetings.

D. Recruit 5 new members.

E. I will work with the Communication and Membership Committee on the orientation process for new Regional Council Members.

F. Work with the Native American/Tribal Governments Partnership to facilitate participation in SCAG and outreach to members to facilitate full General Assembly participation by the Native American/Tribal Governments.

G. Continue to develop a Regional Consensus position in Washington and Sacramento by working with our Regional Partners and our members. Included in that initiative will be:

1. Developing consensus for projects to be funded by bond measures. Funding for transportation through Prop 42 protection, public/private financing mechanisms, and financing instruments for Compass Blueprint implementation; CEQA improvements both near term and long term; federal appropriations; and continued development of goods movement funding instruments.

2. Develop a consensus within the region to facilitate the passage of legislation to enable SCAG to undertake its RHNA Pilot Program.

3. Continue to work within the region and in other appropriate forums to develop administrative or legislative vehicles to permit the use of TIF/FIA financing for project development costs.

H. Proactively undertake education and information on all our programs, particularly, the existing RTP, Compass Blueprint, and using more of our staff to speak and represent the agency. (All Directors and Managers will be required to be part of the Agencies Speaker's Bureau).

I. Work with our neighboring regions (Kern COG, SANDAG, Santa Barbara COG and Baja California) to discuss common issues, update the Southern California mega region report, and establish the Southwest Alliance. I will take a lead role in developing the Major Metro initiative America 2050 national agenda.

J. Identify opportunities for more private sector involvement in SCAG activities.

***V. Creating an educational and work environment that cultivates creativity, initiative, and opportunity, both within the agency and the region.***

A. The agency strives to be a best in class performer in all aspects of our work. This can only be accomplished if I and the Management Team commit to a continuous improvement and refinement of Best Practices in all parts of the organization as essential and required. Our Administrative Committee will review and revise our Best Practice Report to make any changes that require policy approval.

B. We will continue with our internal auditing on both our subregions and ourselves to ensure that we are adhering to existing requirements and will work with subregions on resolving issues.

C. Our budgeting process will focus on developing a system of performance measures that will improve our ability to relate work performed to outcomes. The budget should reflect both a one-year and three-year budget and business plan as outlined in the Strategic Plan.

D. The performance measures that we develop will be used to supplement our quarterly progress reporting so that these reports are more useful to management and the Regional Council.

E. The Performance Measures developed will support and be integrated with our Pay for Performance System.

F. Develop a multi-year Information Technology Strategic Plan.

G. I will lead a continuous improvement effort that will focus on delegation of initiative and responsibility within the organization and implement a succession program. This will be accomplished by the mentoring, rotation, and training elements of the Professional Pathway Program that emphasize the leadership part of our Mission Statement. This will be our highest Human Resources priority for the year.

H. Complete the classification/compensation study of all job series in the organization.

I. Manage our cash flow to minimize the use of the line of credit.

J. Reorganizations in personnel should be presented prospectively for information purposes to the Executive and Administration Committees.

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# REPORT

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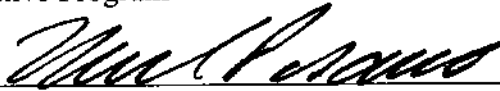
**DATE:** December 14, 2006

**TO:** Regional Council  
Community, Economic, and Human Development Committee  
Transportation and Communications Committee

**FROM:** Don Rhodes, Manager of Public and Government Affairs  
Phone: (213) 236-1840  
rhodes@scag.ca.gov

**SUBJECT:** 2007 State and Federal Legislative Program

**EXECUTIVE DIRECTOR'S APPROVAL**



**RECOMMENDED ACTION:** Adopt the 2007 State and Federal Legislative Program

## **SUMMARY:**

Prior to the return to session of Congress and the State Legislature at the beginning of each year, the Regional Council adopts a state and federal program to direct SCAG's legislative activities. The policy committees reviewed the portions of the program pertaining to their areas of interest at their November meetings. After the Regional Council approves the program it will be prepared in its final form and distributed to members and staff of the Congress, the State Legislature, federal and state agencies, and interested parties.

## **BACKGROUND:**

Attached is a draft of the narrative portion of the 2007 State and Federal Legislative Program. Because of SCAG's increased involvement in direct advocacy, the 2007 program is more focused and directed to our legislative audience. After the 2007 State and Federal Legislative Program is approved by the Regional Council, based on what we have learned in our consensus and advocacy trips, separate documents focused at the state and federal levels will be prepared. These documents will contain the type of appealing graphics and photographs we have used in the pieces prepared for our Congressional consensus trips and in other SCAG publications such as the State of the Region Report.

The 2007 State and Federal Legislative Program was created with the input of SCAG's directors, planning and policy staff, and state and federal lobbyists. It contains sections related to (1) SCAG's federal priorities; (2) SCAG's State Priorities; (3) SCAG general advocacy and leadership principles; and (4) SCAG legislative initiatives under development or being monitored.



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As can be seen in the program, federal advocacy priorities include those relating to Goods Movement, Aviation, Reauthorization and Appropriations.

State advocacy priorities include those related to Housing and Land Use, CEQA Reform and Environmental Streamlining, Transportation and Financing, Air Quality, Sustainability, Water, Waste Management, Habitat and Open Space, and Tribal Governments.

During the 2006 state legislative session SCAG worked with stakeholders, administrative officials, key legislators and legislative staff and housing advocates to initiate a SCAG pilot RHNA program. That effort laid the successful groundwork to build consensus for the successful pursuit of the passage of legislation during the 2007 state legislative session.

During the 2006 legislative session SCAG sponsored legislation, AB 2762 by Assembly Member Lloyd Levine, which would have permitted specified tribes to join its Joint Powers agreement. That legislation passed the state legislature but was vetoed by the Governor, who stated, because of the unique nature of the legislation and the implications concerning tribal sovereignty, the measure needed additional specificity to preclude any unforeseen legal and policy consequences. He said he was in favor of the tribes participating in the SCAG General Assembly and directed his Office of Planning and Research and SCAG's to work with SCAG on legislation.

Specific state level legislative requests, therefore, include those to (1) authorize a pilot Regional Housing Needs Assessment program; and (2) to work with the Governor's Office of Planning and Research to address participation of the 16 federally recognized tribal governments in the SCAG region to participate in SCAG.

SCAG legislative initiatives under development or being monitored are listed in a separate section. Issues categorized under "Monitor" are of interest to the Regional Council and will be tracked by SCAG. Issues included under the category "Develop" are those in which the Regional Council or its policy committees have asked SCAG staff to further develop ideas, to begin or continue efforts, or to provide more information.

During the review by the policy committees, members of both the TCC and the CEHD committees requested that they be permitted to submit suggestions for their committee's review at the December meeting. If modifications are offered and approved by the policy committees at the December meeting, they will be transmitted to you on the same day to enable the preparation of the program to remain on schedule. The TCC committee recommended that the revenues specified to be used for off airport ground access be clarified to include airport improvement program and mitigation pricing funds.

## FISCAL IMPACT:



# REPORT

Because the SCAG fiscal year runs from July 1<sup>st</sup> through June 30<sup>th</sup>, while the legislative year runs from January 1<sup>st</sup> through December 31<sup>st</sup>, each SCAG budget covers the last half of the previous legislative session and the first half of the upcoming legislative session. The cost of adopting the recommended action is covered by the FY05-06 SCAG budget for the first half of the 2007 legislation session and requires no additional resources. No funds will be spent to implement the 2007 State and Federal Legislative Program from July 1<sup>st</sup> through December 31<sup>st</sup> without the approval of the FY07-08 SCAG budget.

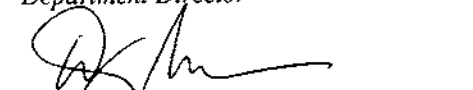
Reviewed by:

  
Division Manager

Reviewed by:

  
Department Director

Reviewed by:

  
Chief Financial Officer

Doc#128126



# REPORT


**DATE:** December 14, 2006

**TO:** Regional Council  
Administration Committee

**FROM:** Joann Africa, Deputy Legal Counsel, 213-236-1928  
[africa@scag.ca.gov](mailto:africa@scag.ca.gov)

**SUBJECT:** Final Version of Delegation Agreement re. Regional Housing Needs Assessment

**EXECUTIVE DIRECTOR'S APPROVAL:**



**RECOMMENDED ACTION:**

Approve final version of Delegation Agreement and authorize Executive Director to sign Agreement on behalf of SCAG.

**SUMMARY:**

As part of staff's efforts relating to preparing the next Regional Housing Needs Assessment (RHNA), a draft Delegation Agreement ("Agreement") was prepared in September 2006. Last month, the Administration Committee and Regional Council reviewed two issues relating to the Agreement, dealing with funding and indemnification. The Administration Committee and Regional Council directed that SCAG provide a maximum of \$20,000 to each subregion who accepts delegation, and approved indemnifying the delegate subregion provided it complies with all of the delegation duties under the Agreement up to the maximum amount of \$25,000.

As a result of last month's action, staff has revised the Delegation Agreement. Attached for your consideration is the final version of the Agreement. Aside from the changes relating to funding and indemnification, staff also made revisions to clarify certain issues relating to the RHNA process, such as the need for the delegate subregion's final allocation plan to be consistent with SCAG's Integrated Growth Forecast and adopted allocation methodology.

This final version of the Delegation Agreement has been presented and circulated to the subregional coordinators for their review and comment. To date, OCCOG and CVAG have relayed to staff an interest in possibly accepting delegation.

In order to best ensure compliance with SCAG's current schedule for undertaking the RHNA, staff proposes that the deadline for SCAG and a subregion to enter into the Delegation Agreement be January 31, 2007. This is based upon staff's intent to present the Draft Housing Allocation Plan, or Draft RHNA, to the Regional Council on February 1, 2007. Assuming the Draft RHNA is approved by such date, the delegate subregion (having accepted and entered into the Agreement) will have its subregional total, can thereafter commence its tasks relating to delegation, and be in a similar position as SCAG in working towards preparing its final allocation plan.

# REPORT

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## FISCAL IMPACT:

Funding for subregions who accept delegation is included as part of staff's additional appropriation request to fund RHNA, which is also scheduled to be discussed at today's meeting.

Reviewed by:

  
Department Director

Reviewed by:

  
Chief Financial Officer



**DELEGATION AGREEMENT  
CONCERNING HOUSING NEEDS ASSESSMENT  
BETWEEN THE SOUTHERN CALIFORNIA ASSOCIATION OF  
GOVERNMENTS AND (NAME OF SUBREGIONAL ENTITY)**

This Delegation Agreement ("Agreement" herein) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by and between the Southern California Association of Governments, a joint powers authority established under California law (hereinafter referred to as "SCAG"), and the (NAME OF SUBREGIONAL ENTITY), a \_\_\_\_\_ (hereinafter referred to as "Subregion"), collectively referred to herein as the "Parties."

**RECITALS**

The following recitals are a substantive part of this Agreement, and are incorporated herein by this reference.

A. The California Legislature has declared, in Government Code Section 65580, that the availability of housing is of vital state importance, and it is a goal of the State of California to expand housing opportunities and accommodate housing needs of Californians in all economic levels.

B. Counties and cities within California, in order to ensure attainment of the State's housing goal, are required under state law to adopt a general plan, which must include a housing element, which identifies and analyzes existing and projected housing needs, and enumerates goals, policies, quantified objectives, financial resources, and scheduled programs for the preservation, improvement and development of housing to meet the needs of all economic segments of the community.

C. Government Code Section 65583(a) requires each such housing element to provide an assessment of the "share" of regional housing needs which must be borne by a local jurisdiction, and an inventory of resources and constraints relevant to the meeting of those needs.

D. SCAG is a joint powers authority agency representing six counties: Los Angeles, Orange, San Bernardino, Riverside, Ventura and Imperial; and is mandated by the federal and state law to research and develop long range regional plans related to transportation, growth, waste management, air quality and housing.

E. SCAG, in consultation with the California Department of Housing and Community Development ("HCD" herein), is required to determine the existing and projected need for housing for the SCAG region pursuant to Government Code Sections 65584 et seq. by way of preparation of a Regional Housing Needs Assessment ("RHNA").

F. Counties and cities use the RHNA to prepare its respective housing element, and specifically, its assessment of its “share” of the regional housing needs.

G. SCAG is preparing the fourth update of the RHNA and intends to submit the RHNA to HCD on or about June 30, 2007. Counties and cities within the SCAG region thereafter are required to prepare and submit their respective updated housing elements to HCD by June 30, 2008.

H. For purposes of preparing the fourth update of the RHNA, SCAG is undertaking a “RHNA Pilot Program,” a program which SCAG is seeking to be codified into state law and streamlines the current statutory process.

I. SCAG is authorized both under current state law and under the RHNA Pilot Program to delegate the responsibility of allocating the projected housing need for jurisdictions with a subregion to a subregional entity by way of a written agreement.

J. Subregion is a subregional entity as set forth in Government Code Section 65584 et seq., is recognized by SCAG as one of the subregions within the SCAG region, and desires to accept delegation of the responsibility of allocating the total housing need for the cities and counties in the \_\_\_\_\_ subregion, under the terms and conditions of this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

**I. Parties and Purpose.**

A. The Executive Director of SCAG, or his designee, and the \_\_\_\_\_ of Subregion, or his designee, are authorized to execute this Agreement and carry out the responsibilities of the Parties herein.

B. The purpose of this Agreement is to establish the responsibilities of the Parties associated with preparation of the fourth update of RHNA as they relate to delegation of the housing allocation process.

**II. Definitions:**

For purposes of this Agreement, the following terms shall be defined as follows:

“*Adopted Allocation Methodology*” shall mean the final regional housing need allocation methodology adopted by SCAG to be used in preparing the fourth update of the RHNA.

“*Draft Allocation of Local Housing Need*” shall mean the draft allocation made by SCAG for each city or county within the Subregion, of its share of

the Total Subregional Allocation, which is issued by SCAG as part of the Draft Housing Allocation Plan.

*“Draft Housing Allocation Plan”* shall mean the draft allocation of regional housing need to cities, counties and subregions within the SCAG region prepared and issued by SCAG as a result of its Integrated Growth Forecast and Adopted Allocation Methodology. The Draft Housing Allocation Plan shall also include the Total Regional Allocation.

*“Final Allocation of Local Housing Need”* shall mean the final allocation made by Subregion for each city or county with the Subregion, of its share of the Total Subregional Allocation, which shall be issued by the Subregion after conclusion of the appeal and trade and transfer process, as described in Sections V.C and V.D, below.

*“Final Housing Allocation Plan”* shall mean the RHNA or the final allocation of regional housing need to cities, counties and subregions within the SCAG region adopted by SCAG for submittal to HCD

*“Integrated Growth Forecast”* shall mean the growth scenario established by SCAG for the Southern California region which ties housing to transportation planning, and which serves as the platform for several of SCAG’s regional plans and projects, including the Regional Transportation Plan and the RHNA.

*“Local Housing Need”* shall mean the existing and projected housing need for persons at all household income levels, as such terms are defined in Government Code Section 65584(e), that each city and county in the Subregion is required to plan for based upon existing and projected household growth forecasts.

*“RHNA Pilot Program”* shall mean the program initiated by SCAG to streamline the current statutory process of RHNA. Specifically, the RHNA Pilot Program seeks to utilize the Integrated Growth Forecast, which ties housing to transportation and air quality planning. The RHNA Pilot program also replaces the survey process set forth in current state law with public hearings and workshops, aimed at gathering information and facilitating an open dialogue with cities, counties, subregions and the general public about SCAG’s Integrated Growth Forecast and proposed allocation methodology. Finally, the RHNA Pilot program streamlines the appeal process, and provides for one formal appeal by cities and counties of its draft allocation number.

*“Total Regional Allocation”* shall mean the share of the statewide housing need assigned to the SCAG region by HCD.

*“Total Subregional Allocation”* shall mean the share of the Total Regional Allocation assigned to the Subregion by SCAG as part of the Draft Housing

Allocation Plan. The Draft Housing Allocation Plan shall be prepared utilizing SCAG's Integrated Growth Forecast and Adopted Allocation Methodology.

### **III. Acknowledgement of status of RHNA Pilot Program**

It is hereby acknowledged by the Subregion that the RHNA Pilot Program has not been enacted into state law as of the date of this Agreement, and that SCAG is implementing the RHNA Pilot Program based upon reasonable assurances that it will be approved and become state law prior to SCAG's completion of the 4<sup>th</sup> update of RHNA. The Subregion further acknowledges the risk in undertaking the RHNA Pilot Program without statutory authority. Notwithstanding the above, in approving this Agreement, Subregion agrees to abide by the terms of RHNA Pilot Program to the extent applicable to this Agreement. A copy of the RHNA Pilot Program is attached hereto as Exhibit "A."

### **IV. Duties of SCAG:**

For purposes of this Agreement, SCAG shall be responsible for the following duties:

- A. Furnishing Total Subregional Allocation. SCAG shall furnish to Subregion a copy of the Draft Housing Allocation Plan, which shall contain information regarding the Total Regional Allocation, the Total Subregional Allocation and the Draft Allocation of Local Housing Need for each city and county within the boundaries of Subregion.
- B. Furnishing background information regarding Integrated Growth Forecast and Adopted Allocation Methodology to Subregion. At Subregion's request, SCAG shall furnish to Subregion background data and information regarding SCAG's Integrated Growth Forecast and Adopted Allocation Methodology specific to the Subregion, which may be necessary for Subregion's preparation of its Final Allocation of Local Housing Need.
- C. Review of Final Allocation of Local Housing Need. SCAG shall review the Final Allocation of Local Housing Need established by Subregion in order to ensure its consistency with the RHNA Pilot Program, any applicable provisions of Government Code Section 65584 et seq., and the terms of this Agreement. In the event that the Final Allocation of Local Housing Need established by Subregion is inconsistent with the RHNA Pilot Program, the applicable provisions of Government Code Section 65584 et seq., or the terms of this Agreement, SCAG reserves the right to make the final housing need allocations to counties and cities within the

Subregion in accordance with subdivision (d) of Government Code Section 65584.03.

**V. Duties of Subregion:**

For purposes of this Agreement, the Subregion in accepting delegation shall be responsible for the following duties:

- A. Determination of Final Allocation of Local Housing Need. Subregion shall determine the Final Allocation of Local Housing Need for each city or county contained within the boundaries of the Subregion in accordance with the requirements of the RHNA Pilot Program, or if a matter is not addressed in the RHNA Pilot Program, in accordance with the applicable requirements of Government Code Section 66584 et seq. Subregion's determination of the Final Allocation of Local Housing Need shall be consistent with the Integrated Growth Forecast and the Adopted Allocation Methodology. Subregion shall not utilize a different forecast or allocation methodology. This determination shall be made in a cooperative manner with the affected city or county government, and shall be based upon the Draft Allocation of Local Housing Need made by SCAG for each city or county within the Subregion as part of SCAG's Draft Housing Allocation Plan.
- B. Maintain Total Subregional Allocation. In determining the Final Allocation of Local Housing Need, the Subregion shall maintain the Total Subregional Allocation. Maintenance of the Total Subregional Allocation shall mean to account for the total housing need originally assigned to Subregion as part of the Draft Housing Allocation Plan. By way of example, this means a downward adjustment in one jurisdiction's allocation shall be offset by an upward adjustment in another jurisdiction's allocation in the Subregion.
- C. Administer Appeals Process. The Subregion shall administer and facilitate an appeals process for local jurisdictions within the Subregion seeking to appeal the original local housing need allocation made by SCAG as part of the Draft Housing Allocation Plan. The Subregion shall administer the appeals process in accordance with the terms of the RHNA Pilot Program and for matters not addressed in the RHNA Pilot Program, the applicable provisions of Government Code Section 66584.05. The Subregion may also utilize any procedures developed by SCAG related to appeals in administering the appeals process. Subregion shall adjust allocations to local governments based upon the results of the appeals process, and follow the provisions set forth in subdivision (g) of Government Code Section 65584.05 relating to adjustments. Local jurisdictions shall have no separate right of appeal to SCAG.

- D. Administer Trade and Transfer Process. The Subregion may administer a “trade and transfer process” prior to adoption of its Final Allocation of Housing Need. This trade and transfer process may involve the Subregion facilitating negotiations between two or more cities relating to an alternate distribution of housing allocations between the affected cities. If the alternate distribution maintains the total housing need originally assigned to these communities, the Subregion shall include the alternate distribution in Subregion’s Final Allocation of Local Housing Need. The trade and transfer process may commence before the start of the appeals process and continue until the Subregion’s adoption of its Final Allocation of Housing Need. Trades and transfers may also occur outside of the Subregion provided the Total Subregional Allocation is maintained or accounted for. To the extent that SCAG develops guidelines relating to a trade and transfer process, Subregion’s administration of its trade and transfer shall be consistent with these guidelines.
- E. Compliance with SCAG RHNA Timeline/Submission of Subregion’s Final Allocation of Local Housing Need. Subregion shall comply and adhere to the SCAG RHNA Timeline, attached hereto as Exhibit B. Subregion shall deliver its Final Allocation of Local Housing Need to SCAG in time to be included as part of SCAG’s public hearing relating to the adoption of SCAG’s Final Housing Allocation Plan, unless this Agreement is terminated pursuant to Section IX herein.
- F. Records Maintenance. The Subregion shall maintain organized files of all public records and materials prepared or received in connection with any official business taken pursuant to this Agreement. Subregion shall also maintain a written record of any administrative proceeding conducted pursuant to this Agreement, whether by tape recording or by other means. Subregion shall make such records available to SCAG upon written request to Subregion. Subregion shall maintain these records for a period of not less than three (3) years after submission of its Final Allocation of Local Housing Need to SCAG.

## **VI. Financial Assistance.**

In consideration for Subregion’s agreement to undertake all delegation duties required by this Agreement, SCAG shall provide to Subregion financial assistance in the maximum amount of Twenty Thousand Dollars (\$20,000), hereinafter referred to as “Financial Assistance”. Subregion shall utilize the Financial Assistance solely to implement the terms of this Agreement, including but not limited to, providing staffing (both administrative and technical) to undertake the delegation duties required herein. Subregion shall be responsible for any additional costs required to implement this Agreement that is above the amount of Financial Assistance.

SCAG shall disburse the Financial Assistance to Subregion based upon the following performance milestones:

1. Full Execution of Agreement: Disbursement of 40% of Financial Assistance;
2. Completion of Appeals Process: Disbursement of 40% of Financial Assistance;
3. Delivery to SCAG of Final Allocation of Local Housing Need: Disbursement of 20% of Financial Assistance.

Subregion shall submit sufficient documentation to SCAG to evidence its completion of the above-mentioned performance milestones prior to disbursement of the Financial Assistance. By way of example, in order to evidence completion of the appeals process, Subregion shall submit a written report to SCAG detailing the appeal process, including information relating to the number of appeals and its respective outcomes. SCAG shall have the right to request and review additional information from Subregion in order to approve disbursement of the Financial Assistance.

#### **VII. Indemnification.**

Provided Subregion complies with all of its delegation duties required herein, SCAG agrees to indemnify, defend and hold harmless the Subregion, its officers, agents and employees, from any and all claims, demands, costs or liability, including but not limited to legal costs and attorneys fees, arising from or connected with this Agreement, up to a maximum dollar amount of Twenty-Five Thousand Dollars (\$25,000). Subregion agrees and acknowledges that it shall be responsible for any additional costs above this amount which relates to any claim, demand, costs or liability arising from or connected with this Agreement. This indemnification provision does not apply to member jurisdictions of Subregion.

#### **VIII. Progress report to SCAG.**

Pursuant to the RHNA Pilot Program, the Subregion agrees and acknowledges that SCAG is required to submit to the State Legislature by March 30, 2007, a written report describing its progress in completing SCAG's final Housing Allocation Plan for the SCAG region. This report by SCAG shall include information regarding the status of the work undertaken by Subregion as part of its acceptance of delegation herein. In order to determine if the Subregion is complying and completing the activities required herein in accordance with the agreed-upon schedule, and to resolve any issues in connection with the work to be performed by Subregion, the Subregion shall submit a progress report to SCAG by no later than March 15, 2007, describing the status of work performed by Subregion to implement this Agreement.

#### **IX. Termination of Agreement.**

- A. Termination by Subregion. Subregion shall have the right to terminate this Agreement without cause by giving written notice to SCAG by no later than May 4, 2007 of its intent to terminate. In such event all finished or unfinished documents, data, studies, reports or other materials prepared by Subregion relating to this Agreement shall be given to SCAG. In the event of termination, Subregion shall forfeit any Financial Assistance not disbursed by SCAG.
- B. Termination by SCAG. SCAG shall have the right to terminate this Agreement with cause, including but not limited to, if SCAG has a reasonable basis to conclude that Subregion shall be unable to fulfill in a timely and proper manner its duties under this Agreement. SCAG shall provide written notice to Subregion of its intent to terminate this Agreement, which shall be effective ten (10) days from the date on the notice. In the event of such termination, all finished or unfinished documents, data, studies, reports or other materials prepared by Subregion relating to this Agreement shall be given to SCAG in order for SCAG to determine the local allocation of need for all cities and counties within the Subregion. By termination of this Agreement, SCAG reserves the right to distribute the share of regional housing need to cities and counties within the Subregion using the Draft Allocation of Local Housing Need established by SCAG as part of its Draft Housing Allocation Plan. In the event of termination, Subregion shall forfeit any Financial Assistance not disbursed by SCAG.

**X. Other Provisions.**

- A. Notices. All notices required to be delivered under this Agreement or under applicable law shall be personally delivered, or delivered by U.S. mail, certified, or by reputable document delivery service such as Federal Express. Notices personally delivered or delivered by a document delivery service shall be effective upon receipt. Notices shall be delivered as follows:

SCAG: Southern California Assn. of Governments  
Attn: Hasan Ikhata, Director of Planning and Policy  
818 West Seventh Street, 12<sup>th</sup> Floor  
Los Angeles, CA 90017-3435

Subregion: (Name of Subregional Entity)  
Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- B. Prohibition against Assignment/Subcontract. Subregion shall not assign or subcontract any rights, duties or obligation in this Agreement.



- C. Governing Law. The interpretation and enforcement of this Agreement shall be governed by the laws of the State of California.
- D. Time is of Essence. Time is expressly made of the essence with respect to the performance of the Parties and of each and every obligation and condition of this Agreement.
- E. Amendments in writing. This Agreement cannot be orally amended or modified. Any modification or amendment hereof must be in writing and signed by the Party to be charged.
- F. Interpretation; Days. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural, and the masculine shall include the feminine and neuter and vice versa. Whenever the word "day" or "days" is used herein, such shall refer to calendar day or days, unless otherwise specifically provided herein. Whenever a reference is made herein to a particular Section of this Agreement, it shall mean and include all subsections and subparts thereof.
- G. Exhibits. All exhibits referred to in this Agreement are attached hereto and incorporated herein by reference.
- H. Cooperation between the Parties/Dispute Resolution. SCAG and Subregion are each undertaking the responsibilities of this Agreement for the benefit of their respective members. The Parties agree and acknowledge that it is their best interest to engage in cooperation and coordination with each other in order to carry out its responsibilities herein. In this spirit of cooperation, the Parties agree that neither party will seek any action in law or in equity. Disputes regarding the interpretation or application of any provision of this Agreement shall be resolved through good faith negotiations between the Parties. Changes in exigent circumstances or the RHNA Law may cause a party to conclude that this Agreement should be amended. If the Parties cannot agree on changes to this Agreement, the Parties can terminate this Agreement; in no event shall either Party seek any legal or equitable remedy against the other.
- I. Entire Agreement. This Agreement constitutes the entire understanding between the Parties. All prior agreements or understandings, whether oral or written, are superseded. Each Party is entering this Agreement based solely upon the representations set forth herein. This Agreement may be executed in counterpart originals, and when the original signatures are assembled together, shall constitute a binding agreement of the Parties.

[Signature Page to follow.]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by its duly authorized officers, shall become effective as of the date in which the last of the Parties, whether SCAG or Subregion, executes this document.

**SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS  
("SCAG")**

**(NAME OF SUBREGIONAL ENTITY)  
("Subregion")**

By \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

Approved as to form:

Approved as to form:

\_\_\_\_\_  
Karen Tachiki, Chief Counsel

By \_\_\_\_\_  
Counsel for Subregion

## Exhibit “A” – RHNA Pilot Program

(Note: Language of RHNA Pilot Program is still under discussion. The RHNA Pilot Program, once finalized, will be attached as part of the final document prior to execution).

### Exhibit "B" – SCAG RHNA Timeline

January 31, 2007	Last day for SCAG and Subregion to execute Delegation Agreement.
Jan. 2007	SCAG to hold second public hearing regarding final methodology, subregional workshop results and policy recommendations.
Feb 1, 2007	SCAG Regional Council to consider adoption of Draft Housing Allocation Plan; Adoption triggers starts of appeal filing period.
March 15, 2007	Subregion to submit progress report to SCAG.
March 30, 2007	SCAG to submit status report to State pursuant to Pilot Program.
Mid-April 2007	SCAG to hold public hearing for appeal jurisdictions.
May 4, 2007	End of appeals process for SCAG; SCAG to start preparing Final Housing Allocation Plan.
June 2007	Subregion to deliver Final Allocation of Local Housing Need to SCAG.
July 5, 2007	SCAG Regional Council to hold public hearing regarding adoption of Final Housing Allocation Plan (RHNA).
July 6, 2007	SCAG submits RHNA to HCD.
Sept. 4, 2007	Deadline for adoption of RHNA by HCD.
June 30, 2008	Due date for jurisdictions in SCAG region to submit updated Housing Elements to HCD.

## REPORT

**DATE:** November 16, 2006

**TO:** Administration Committee  
Regional Council  
Wayne Moore, CFO

**FROM:** Wayne Moore, Chief Financial Officer, (213) 236-1804, moore@scag.ca.gov

**SUBJECT:** RHNA Budget Report

**EXECUTIVE DIRECTOR'S APPROVAL:**

L: Mark Paves

**RECOMMENDED ACTION:**

Approve the use of an additional \$200,000 in General Funds to continue funding the Regional Housing Needs Allocation project.

**BACKGROUND:**

At the September Regional Council meeting, \$100,000 in General Funds from the current fiscal year budget was reallocated to fund the RHNA project through December 2006. As of the payroll period ending November 11, 2006, \$146,000 in General funds had been expended on the RHNA project.

This current budget request includes estimated project costs for work related to finalizing the RHNA methodology and preparing the Draft Allocation Plan. This process includes the distribution of the housing allocation numbers to subregions who take delegation and to the cities in the subregions that do not take delegation. The process also includes work related to addressing inquiries by cities regarding housing allocations in an effort to mitigate potential appeals. Our budget projections beyond this process are predicated upon the number and nature of appeals that result thereafter. The current project plan has this process being completed in March 2007.

From a budgetary viewpoint, this is a critical period because appeal hearings are projected to occur in mid-April 2007. Staff costs relating to appeals, including in-house and outside counsel costs to provide advice regarding appeals, will drive the magnitude of the required General Fund budget for RHNA. The extent that staff can mitigate potential appeals will be critical in meeting the target budget of \$500,000 for fiscal year 2006. If there are no appeals, the \$500,000 budget target can be met. If, for example, 20% of cities pursue appeals, the additional costs could be between \$150,000 and \$200,000 in fiscal year 2006, and \$50,000 to \$100,000 in fiscal year 2007.

# REPORT

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## FISCAL IMPACT:

All the Funds are included in the current year's appropriated budget.

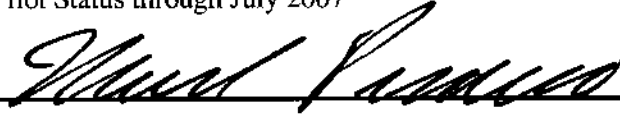
Reviewed by:

  
\_\_\_\_\_  
*Chief Financial Officer*

# REPORT

**DATE:** December 14, 2006  
**TO:** Regional Council  
Administration Committee  
**FROM:** Debbie Dillon, Human Resources Manager, 213-236-1870  
dillon@scag.ca.gov  
**SUBJECT:** Merit Pay Program – Extend Pilot Status through July 2007

**EXECUTIVE DIRECTOR'S APPROVAL**



**RECOMMENDED ACTION:**

Approve extension of Merit Pay Pilot Program through July 2007.

**SUMMARY:**

On June 7, 2001, the Regional Council approved recommendations contained in the Compensation study conducted by Personnel Concepts, Inc. One component of that study was the recommendation to implement a Pay for Performance Program. The parameters of that study have been the basis for SCAG's performance evaluation process and compensation planning over the course of the last four years.

Policy direction from the Regional Council in 2001 included applying a Pay for Performance Program to all employees in the senior level positions and above. This includes executive management, managers, supervisors, leads, and seniors. All other employees were to stay on the current compensation system until a later date.

SCAG staff receives compensation adjustments only through the Merit Pay Program. The percentage increases per rating category, as approved by the Regional Council in 2001, are as follows:

Evaluation Rating	Percentage Adjustment
Excels	7-9%
Above Standards	4-6%
Meets Standards	1-3%
Needs Improvement or Unsatisfactory	0

SCAG staff does not receive cost of living adjustments and they do not receive step increases. The salary ranges may be adjusted annually if they are determined by a salary survey to no longer be at the Regional Council approved level of the 75<sup>th</sup> percentile. Only those employees that fall below the new bottom of the range are adjusted at the time of a range change. A salary survey is conducted annually to determine if adjustments are necessary. Any suggested changes to the ranges are provided to this committee prior to implementation.

# REPORT

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## **BACKGROUND:**

To assist in the implementation of the Pay for Performance Program, a new performance evaluation process was implemented during fiscal year 2002/2003.

In November 2003 the Personnel Committee received a report on the status of the program and information that staff expected to recommend an extension of the program to the rest of the staff in June 2004.

In April 2004 the Personnel Committee received a status report and a staff recommendation to extend the Pay for Performance program to all employees for a two-year pilot period. The Personnel Committee provided input and recommended to the Administration Committee and the Regional Council in May 2004 to extend the two-year pilot program to all staff effective July 2004.

The Regional Council approved the Merit Pay two-year pilot program and requested periodic updates.

In July 2004 all employees were evaluated and compensated under the Merit Pay pilot program.

In October 2004, May 2005 and October 2005 program status reports were provided to the Personnel Committee.

In October 2006, the Personnel Committee acted to recommend that the pilot program be extended through July 2007 to allow further refinements to the program.

## **EVALUATION RATING STATISTICS & SALARY ADJUSTMENTS:**

The evaluation rating statistics and applicable salary adjustments are listed on the following page. The Exceeds and Needs Improvement rating categories have remained relatively constant for each year. While the Above Standards category has gradually increased and the Meets Standards category has gradually decreased. This is reflective of the performance of the organization as a whole, in that it has improved in the last four years.

In July 2003, employees below senior level were eligible for a 3% or 0% salary adjustment based on the prior evaluation system. In July 2004, all employees became eligible for the Merit Pay program.

In all years, employees who are at the top of the salary range received a lump sum equivalent to the percentage that was over the top salary range. Effective in July 2006, these lump sum payments are counted by CalPERS as part of an employee's eligible compensation. This became effective with the lump sum payments in July 2006.



# REPORT

## EVALUATION RATING STATISTIC & SALARY ADJUSTMENT TABLE

Evaluation Rating Scale	July 2003 Ratings	July 2003 % Salary Adj.*	July 2004 Ratings	July 2004 % Salary Adj.	July 2005 Ratings	July 2005 % Salary Adj.	July 2006 Ratings	July 2006 % Salary Adj.
Excels	17 or 17%	8%	13 or 13%	7%	11 or 12%	7%	10 or 13%	7%
Above	23 or 22%	5%	31 or 31%	5%	35 or 38%	5%	35 or 44%	5%
Meets Standard	59 or 57%	3%	51 or 51%	3%	43 or 47%	3%	32 or 40%	3%
Needs Improvement	4 or 4%	0	6 or 6%	0	2 or 2%	0	3 or 4%	0
Unsatisfactory	0	0	0	0	0	0	0	0
<b>TOTAL**</b>	<b>103</b>		<b>101</b>		<b>91</b>		<b>80</b>	

\* Employees below Senior Level received 3%; all-other employees eligible for more than 3%.

\*\* Excludes Probationary Employees

Average overall salary increase for fiscal years 2002/2003, 2004/2005 and 2006/2006 were 3.64%, 4.3% and 4.10%, respectively.

### ADDITIONAL BACKGROUND:

We are continually improving the process. After four years of using a standardized evaluation form and process, we are experiencing improvements in the overall performance of the organization and the staff. The rating distribution is a good indicator of the performance of the organization as a whole. We determine the success of the program based on the rating statistics, the content of the written evaluations, and the effectiveness of performance management on improving staff performance.

With the assistance of a management consultant, Miralto Consultants, we are implementing three organizational improvement projects that will feed into the performance evaluation process and enable better alignment with each employee's performance agreement measures and the overall mission, vision and goals of the organization. These improvement projects are designed to create more objective measures of an individual's performance and their team performance.

These projects include:

- Initiating a pilot Project Chartering effort to create a governance template and common processes as a means to help work teams and the organization manage and allocate resources more effectively. Maglev will serve as the pilot project.

# REPORT

- Establishing preliminary Performance Metrics for the MagLev Project Charter pilot program as a template for developing more integrated organizational performance measurement and evaluation processes to better focus activities toward achieving regional and organizational goals.
- Conducting the Staff Retreat on November 7, 2006 to initiate an organization-wide discussion on the fundamental principles and values that we believe should guide how we work and to incorporate these values into our SCAG mission. These values will feed into the performance evaluation goals and process.

## **CONCLUSION:**

This is an important program and we will continue to seek feedback and make adjustments or changes to the rating factors, criteria, process, and forms. Performance evaluation and performance management training was provided in November 2004, May 2005, Spring 2006 and November 2006 for all management/supervisory employees. The next mid-year review cycle is scheduled for completion in January 2007. We have seen improvement in performance expectations and performance management with the refinement of the program. We will continue to refine the linkage between the employee performance agreement, professional development goals, the mission statement, and the rating criteria. A report will be provided to the Personnel Committee following the mid-year review cycle.

## **FISCAL IMPACT:**

None. This request does not impact the current fiscal year. The next Merit Pay Program payouts will be in the 2007/2008 fiscal year.

Reviewed  
by:

  
Division Manager

Reviewed  
by:

  
Department Director

Reviewed  
by:

  
Chief Financial Officer

# REPORT

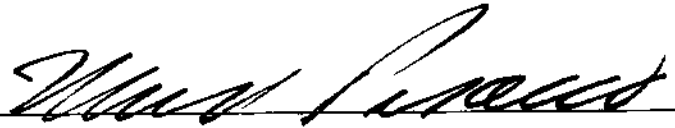
**DATE:** December 14, 2006

**TO:** The Regional Council  
Community, Economic and Human Development (CEHD) Committee

**FROM:** Jeffrey S. Dunn, Government Affairs Analyst

**SUBJECT:** RHNA Pilot Program Legislative Language

**EXECUTIVE DIRECTOR'S APPROVAL:**



**RECOMMENDED ACTION:**

Review the approved RHNA Pilot Program language and direct staff to continue efforts to move the bill through the legislative process.

**BACKGROUND:**

At the November Meeting, the Community, Economic and Human Development (CEHD) Committee and the Regional Council approved the attached RHNA Pilot Program legislative language and directed staff to move forward with introducing the language into a legislative bill. Accordingly, staff has referred the bill to the legislative author for preparation into proper legislative form and for introduction on the first day of the legislative session, December 4, 2006.

The CEHD further directed staff to provide a comparison of changes from the RHNA Pilot Program language approved by the CEHD at its November meeting, and previous versions of the Pilot Program language. These changes are summarized in the attached matrix. (See Attachment A).

The language in the approved form represents over four months of intense negotiations among statewide housing stakeholders, including CSAC, the California League of Cities, Mark Stivers of the Senate Transportation Committee staff, State HCD staff, SCAG staff, housing advocacy groups, the California Business Industry Association, and others. As a result of these meetings which involved discussion of many proposed revisions to the Pilot Program language, staff concludes that the current approved form of the Pilot Program satisfies the objectives of the original Pilot Program reform elements as accepted by the CEHD and the Regional Council, and would be in a good position to become law. These reform elements include:

- Use of the same growth forecast for regional plans, involving transportation, housing and air quality planning;
- Expanded use of AB 2158 factors into the deliberation of the growth forecast and in the appeals process; and
- Limitation of the appeals process to one round after substantial local input opportunity.

# REPORT

Subsequent to the November meeting, additional suggestions were received from the League and Housing Advocates. The staff has no objection to the proposed changes as they are editorial and clarifying in nature. Attached is a copy of the language approved by the Regional Council on November 2, 2006 (Attachment B) and a copy of the language with editorial changes offered by the League and Housing Advocates (Attachment C).

Since the July action on the draft pilot program language, staff has proceeded to implement the fourth cycle RHNA process as directed by the Regional Council, in accordance with the draft pilot program. Adoption of the RHNA Pilot Program legislation is required to achieve the following objectives consistent with the course of action already undertaken:

1. To authorize the streamlined RHNA process already underway;
2. To justify utilization of transportation funds for the integration of the housing and transportation planning processes; and
3. To complete the RHNA portion of the housing element update process so that the cities of the SCAG region can prepare and submit their Housing Elements on time.

## FISCAL IMPACT:

No fiscal impact upon SCAG.

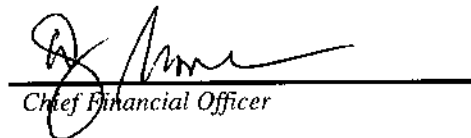
Reviewed by:

  
Division Manager

Reviewed by:

  
Department Director

Reviewed by:

  
Chief Financial Officer

**Comparison of Major Provisions  
of Current SCAG Pilot Program Language  
And Staff Language Approved by Regional Council  
November 2, 2006**

July 6 Language	Pilot Language as of August 28	Pilot Language as of Nov 2 (approved by RC)
Integrated long-term growth forecast in 5-year increments, consisting of pop., emply., hshlds, to be considered to arrive at the regional housing need.	<b>Provision Remains.</b> Integrated long-term growth forecast in 5-year increments, consisting of pop., emply., & hshlds, to be considered to arrive at regional house need.	<b>No Change from Aug. 28 language.</b>
Provides for the use of 'other strategies' in addition to the RTP growth forecasting process, that SCAG may use to integrate housing planning w/ projected pop. growth and transportation.	<b>Provision Removed.</b> Specific reference to 'other strategies' that SCAG may use to integrate transportation and housing planning is removed.	<b>No Change from Aug. 28 language.</b>
SCAG shall initiate and provide regional housing need number, which shall be subject to review by a Panel, as specified, if the population forecast from SCAG differs from DOF by more that 4%.	<b>Provision Removed.</b> SCAG shall transmit to HCD the growth forecast and HCD shall determine the regional housing need in accordance with provisions of existing law.	<b>No Change from Aug. 28 language.</b>
No survey of local jurisdictions. SCAG conducts a series of 14 workshops to consider '2158' factors.	<b>Provision Remains, procedure is changed.</b> No survey. SCAG will conduct one workshop, w/ advance notice to local jurisdictions & opportunity for their input, to arrive at the methodology SCAG will use to consider '2158' factors, followed by 14 public workshops to adopt draft housing allocation plan. SCAG must show how the information/methodology was considered to arrive at regional housing need.	<b>No Change from Aug. 28 language.</b>

Provides for one appeal only.	<b>Provision remains.</b> Each city or county can appeal once based upon a challenge to the methodology or application of the factors.	<b>Minor Change from Aug. 28.</b> Specifically adds “unforeseen change in circumstances” as another basis of appeals (GC § 65584.05 (d)(1) of existing state law).
Trade and transfer permitted.	<b>Provision remains.</b> Trade and transfer is permitted pursuant to authority under existing law, GC § 65584.05 (g).	<b>Provision remains. No change from Aug. 28 language.</b>
Trade outside of subregion permitted.	<b>Provision remains.</b> Pursuant to authority in existing law requiring that total regional housing need is maintained, GC § 65584.05 (g).	<b>Provision remains. No change from Aug. 28 language.</b>
Subregional delegation permitted, provided that subregional entities agree to maintain the <u>subregional total of housing need</u> throughout the process.	<b>Provision remains, but is changed.</b> Subregional delegation permitted, provided that subregional entity agrees in writing and SCAG ensures that the <u>total regional housing need</u> is maintained.	<b>No Change from Aug. 28 language.</b>
Approval of final housing allocation plan required findings that plan is consistent with RTP and will not significantly impact mobility and air quality.	<b>Provision changed.</b> Adoption of plan required findings: (1) consistency with housing law (2) consistency with RTP (3) takes into account information provided by SCAG members (4) housing distribution will not impact air quality plan (5) total regional housing need is maintained.	<b>Minor change from Aug 28.</b> Adoption of plan requires same findings save that plan must consistent with RTP and air quality conformity finding of RTP.

**APPROVED RHNA PILOT PROGRAM LANGUAGE  
FOR THE SCAG REGION  
NOVEMBER 2, 2006**

**65584.08.** For the fourth revision of the housing element pursuant to Section 65588 within the region of the Southern California Association of Governments, the existing and projected need for housing for the region as a whole and each jurisdiction within the region shall be determined according to the provisions of this article except as those provisions are specifically modified by this section.

(a) The existing and projected housing need for the region shall be determined in the following manner:

- (1) The Southern California Association of Governments shall develop an integrated long-term growth forecast by five year increments. The growth forecast is not a Regional Housing Needs Allocation Plan.
- (2) The forecast shall consist of three major variables: population, employment, and households, by geographic area throughout the region.
- (3) The Southern California Association of Governments shall convert households into housing units using replacement rates from the Department of Finance, and county level vacancy rates from the most recent census, by weighing vacancy rates of for-sale and for-rent units.
- (4) The Southern California Association of Governments shall transmit the forecast to the department with the following variables: population, employment, households, and housing units.
- (5) Upon receiving the forecast, the department shall determine the existing and projected housing need for the region in accordance with paragraph (2) of subdivision (c) and with subdivision (d) of Section 65584.01.

(b) Instead of the survey of each of its member jurisdiction pursuant to subdivision (b) of Section 65584.04, the Southern California Association of Governments shall conduct a public workshop. At least 30 days prior to the public workshop, the Southern California Association of Governments shall notify affected jurisdictions about the manner in which it proposes to consider the factors specified in subdivision (d) of Section 65584.04 in the housing allocation process. Local governments may submit information about the factors before the workshop for the Southern California Association of Governments' consideration and incorporation into the discussion of the methodology at the workshop.

- (c) The Southern California Association of Governments shall delegate development of the housing need allocation plan to the subregional entities, provided the Southern California Association of Governments and the subregional entities agree in writing and provided the Southern California Association of Governments ensures that the total regional housing need is maintained.
- (d) The Southern California Association of Governments shall conduct a minimum of 14 public workshops to discuss the regional growth forecast and the factors upon which housing needs are proposed to be allocated to subregions, or, in absence of a subregion, to individual jurisdictions. The workshops will also present opportunities for jurisdictions and members of the public or relevant stakeholders to provide information to the Southern California Association of Governments on local conditions and factors. Following the workshops, concurrent with the adoption of its draft housing allocation plan, the Southern California Association of Governments shall describe the following:
  - (1) The manner in which the plan is consistent with the housing, employment, transportation, and environmental needs of the region.
  - (2) The manner in which the methodology that produced the plan complies with subdivision (e) of Section 65584.04.
  - (3) The manner in which the information received in the public workshops was considered in the methodology used to allocate the regional housing need.
- (e) Both the methodology and allocation process shall consider the factors identified in subdivision (d) of Section 65584.04 and promote the goals and objectives of subdivision (d) of Section 65584 and the regional transportation plan growth forecasting process to integrate housing planning with projected population growth and transportation. The Southern California Association of Governments shall complete the final housing need allocation plan 12 months from the date that the department sends a final written determination of the region's existing and projected housing need. It is the intent of the Legislature that the housing element update deadlines as required in Section 65588 and as modified by the department pursuant to paragraph (2) of subdivision (a) of Section 65584.02 will not be extended, but the



Southern Association of Governments shall submit a report to the Legislature on March 30, 2007, describing the progress it has made in completing the final need allocation plan.

- (f) A city or county may appeal its draft allocation to the Southern California Association of Governments or delegate subregion, pursuant to subdivision (e) of Section 65584.05 based upon any of the following criteria: (1) The Southern California Association of Governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that paragraph; (2) The Southern California Association of Governments or delegate subregion, as applicable, failed to determine its share of the regional housing need in accordance with the information described in, and the methodology established pursuant to paragraph (d); (3) the Southern California Association of Governments or delegate subregion, as applicable, failed to determine its share of the regional housing need in accordance with the factors identified in subdivision (d) of Section 65585.04 but the Southern California Association of Governments shall not be required to entertain requests for revision pursuant to subdivisions (b) and (c) of Section 65584.05. A city or county shall not be allowed to file more than one appeal, and no appeals may be filed relating to any adjustments made pursuant to subdivision (g) of Section 65584.05. The final allocation plan shall be subject to the provisions of subdivision (h) of Section 65584.05.
- (g) The Southern California Association of Governments' approval of the final housing need allocation plan shall include information which supports each of the following:
  - (1) The plan is consistent with the objectives of this section and article.
  - (2) The plan is consistent with the regional transportation plan and the air quality conformity finding of the plan.
  - (3) The plan takes into account the information provided to the Southern California Association of Governments by its member jurisdictions pursuant to subdivisions (b) and (d).
  - (4) The total regional housing need is maintained.

- (h) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

**PROPOSED RHNA PILOT PROGRAM LANGUAGE  
FOR THE SCAG REGION – FINAL DRAFT  
December 2006/January 2007**

**65584.08.** For the fourth revision of the housing element pursuant to Section 65588 within the region of the Southern California Association of Governments, the existing and projected need for housing for the region as a whole and each jurisdiction within the region shall be determined according to the provisions of this article except as those provisions are specifically modified by this section.

- (a) The existing and projected housing need for the region shall be determined in the following manner:
  - (1) The Southern California Association of Governments shall develop an integrated long-term growth forecast by five year increments. The growth forecast is not a Regional Housing Needs Allocation Plan.
  - (2) The forecast shall consist of three major variables: population, employment, and households, by geographic area throughout the region.
  - (3) The Southern California Association of Governments shall convert households into housing units using replacement rates from the Department of Finance, and county level vacancy rates from the most recent census, by weighing vacancy rates of for-sale and for-rent units.
  - (4) The Southern California Association of Governments shall transmit the forecast to the department with the following variables: population, employment, households, and housing units.
  - (5) Upon receiving the forecast, the department shall determine the existing and projected housing need for the region in accordance with paragraph (2) of subdivision (c) and with subdivision (d) of Section 65584.01.
- (b) Instead of the survey of each of its member jurisdiction pursuant to subdivision (b) of Section 65584.04, the Southern California Association of Governments shall conduct a public workshop. At least 30 days prior to the public workshop, the Southern California Association of Governments shall notify affected jurisdictions about the manner in which it proposes to consider the factors specified in subdivision (d) of Section 65584.04 in the housing allocation process. Local governments may submit information about the factors before the workshop for the Southern California Association of Governments' consideration and incorporation into the discussion of the methodology at the workshop.

- (c) The Southern California Association of Governments shall delegate development of the housing need allocation plan to the subregional entities, provided the Southern California Association of Governments and the subregional entities agree in writing and provided the Southern California Association of Governments ensures that the total regional housing need is maintained.
- (d) The Southern California Association of Governments shall conduct a minimum of 14 public workshops to discuss the regional growth forecast and the factors upon which housing needs are proposed to be allocated to subregions, or, in absence of a subregion, to individual jurisdictions. The workshops will also present opportunities for jurisdictions and members of the public or relevant stakeholders to provide information to the Southern California Association of Governments on local conditions and factors. Following the workshops, concurrent with the adoption of its draft housing allocation plan, the Southern California Association of Governments shall describe the following:
- (1) The manner in which the plan is consistent with the housing, employment, transportation, and environmental needs of the region.
  - (2) The manner in which the methodology that produced the plan complies with subdivision (e) of Section 65584.04.
  - (3) The manner in which the information received in the public workshops was considered in the methodology used to allocate the regional housing need.
- (e) Both the methodology and allocation process shall consider the factors identified in subdivision (d) of Section 65584.04 and shall be consistent with and promote the goals and objectives of subdivision (d) of Section 65584 and the regional transportation plan growth forecasting process to integrate housing planning with projected population growth and transportation. The Southern California Association of Governments shall complete the final housing need allocation plan 12 months from the date that the department sends a final written determination of the region's existing and projected housing need. It is the intent of the Legislature that the housing element update deadlines as required in Section 65588 and as modified by the department pursuant to paragraph (2) of subdivision (a) of Section 65584.02

will not be extended. The Southern Association of Governments shall submit a report to the Legislature on March 30, 2007, describing the progress it has made in completing the final need allocation plan.

- (f) A city or county may appeal its draft allocation to the Southern California Association of Governments or delegate subregion, pursuant to subdivision (e) of Section 65584.05 based upon any of the following criteria: (1) The Southern California Association of Governments or delegate subregion, as applicable, failed to adequately consider the information submitted pursuant to subdivision (b) or a significant and unforeseen change in circumstances has occurred in the local jurisdiction that merits a revision of the information submitted pursuant to that paragraph; (2) The Southern California Association of Governments or delegate subregion, as applicable, failed to determine its share of the regional housing need in accordance with the information described in, and the methodology established pursuant to paragraph (d); (3) the Southern California Association of Governments or delegate subregion, as applicable, failed to determine its share of the regional housing need in accordance with the factors identified in subdivision (d) of Section 65585.04 but the Southern California Association of Governments shall not be required to entertain requests for revision pursuant to subdivisions (b) and (c) of Section 65584.05. A city or county shall not be allowed to file more than one appeal, and no appeals may be filed relating to any adjustments made pursuant to subdivision (g) of Section 65584.05. The final allocation plan shall be subject to the provisions of subdivision (h) of Section 65584.05.

- (g) The resolution adopted by the Southern California Association of Governments' approving the final housing need allocation plan shall include the following -----

- (1) The plan is consistent with the objectives of this section and article.
- (2) The plan is consistent with the regional transportation plan and the air quality conformity finding of the plan.
- (3) The plan takes into account the information provided to the Southern California Association of Governments by its member jurisdictions pursuant to subdivisions (b) and (d).
- (4) The total regional housing need is maintained.

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- (h) This section shall remain in effect only until January 1, 2015, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2015, deletes or extends that date.

# MEMO

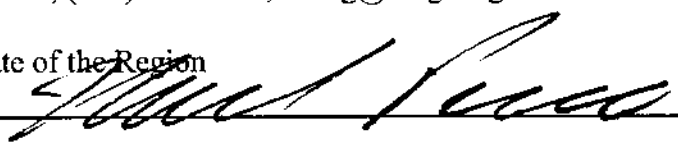
**DATE:** December 14, 2006

**TO:** Regional Council  
Community, Economic and Human Development Committee

**FROM:** Ping Chang, Program Manager, Performance Assessment and Monitoring  
Data and Monitoring Division, (213) 236-1839, chang@scag.ca.gov

**SUBJECT:** Highlights of the 2006 State of the Region

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## BACKGROUND:

Staff will present highlights of the 2006 State of the Region Report which is scheduled for release through a press conference at 11:00 am, December 14, 2006, at SCAG downtown Los Angeles offices.

Since 1998, SCAG has published a *State of the Region* report annually. Staff has prepared the report under the guidance of the Benchmarks Task Force. The current membership of the Benchmarks Task Force is included in Attachment 1. In addition, the process for last year's *2005 State of the Region* is included in Attachment 2 for your information since the 2006 report follows a similar process.

The *State of the Region* reports annually on a series of indicators about our region's performance. A primary objective is to assist members of the Regional Council assess how the region is performing in meeting the goals in the *Regional Comprehensive Plan and Guide*. Information on the region's performance has also been widely disseminated to assist public officials, business and community leaders in developing appropriate strategies to improve our communities.

The 2006 *State of the Region Report* provides an assessment on how our six-county region performs on issue areas including, for example, Population, Economy, Housing, Transportation, Environment, Education and Safety. The Report also compares the performance of our region with other large metropolitan regions in the nation. Based on the information prepared by staff, the Benchmarks Task Force also develops a Report Card for our region.

Highlights of findings of the *2006 State of the Region Report* include the following:

## 1. Population

- In 2005, the region continued to grow faster than the rest of the nation reaching 18.2 million. Population increase of 220,000 people in the region accounted for about 9 percent of the total growth in the nation.
- Since 2001, population growth in the region has been reduced from 350,000 (over 2 percent growth rate) to 220,000 (1.2 percent) due to increased domestic outmigration.
- Riverside County achieved the second fastest growth rate within the state in 2005 while Los Angeles County had the largest increase in absolute numbers.
- Since 2000, about 53 percent of the growth was due to natural increase (i.e. births over deaths), 42 percent was from foreign immigration and 5 percent from net domestic migration. Different sources of growth contributed very differently among counties in the region.
- Demographic transformation processes continued through 2005 including, for example, the increasing share of Hispanic population, a declining share of the new immigrants (arrived within the last 10 years), and a growing share of the settled immigrants (arrived more than 10 years ago).

## 2. The Economy

- In 2005, the region's job market showed broad-based improvements from the previous year. Total payroll jobs increased almost 120,000 jobs (1.7 percent) in 2005 after gaining 100,000 (1.5 percent) in 2004.
- The economic recovery and expansion:
  - on the one hand, continued to be supported by the high level activities in residential construction and investment,
  - on the other hand, was limited by the sharp increase in energy prices and corresponding higher level of cost of living.
- Professional services sector was the leading generator of new jobs in 2005 followed by construction and retail trade. Job losses in manufacturing in 2005 were stabilized.
- Unemployment rate in the region declined from 6 to 5 percent between 2004 and 2005 and was the lowest since 1988.
- Real average payroll per job (after adjusting for inflation) declined by 1.6 percent in 2005, after increasing by 1.7 percent in 2004.
- Real per capita income is estimated to increase up to 1 percent in 2005, slightly below the national average. Between 2000 and 2004, real per capita income in the SCAG region improved from 82% to 85% when comparing with the average of the 17 largest metropolitan regions in the nation. However, the region continued to rank last in per capita income among the 17 largest metropolitan regions.
- Real median household income in the region declined slightly by 0.5 percent in 2005. Since 2000, real median household income increased by only 2 percent while the nation lost by 1 percent.



# MEMO

- About 14 percent of residents were in poverty in 2005 and 20 percent of children under 18 were below poverty in 2005, little change for both since 2000.

### 3. Housing

- In 2005, the region achieved the second largest number of building permits (91,000 units) since 1989, though slightly lower than the 2004 level.
- The ratio between population increase and new housing units with building permits was 4.0 persons per unit between 2000 and 2005, the lowest since 1990 but was still significantly higher than the average household size of 3.1 persons.
- Homeownership rate (56 percent) increased by about 2 percent since 2000, but continued to be well below the national average (67 percent) and that of the other largest metropolitan regions.
- Sharp increases in home prices significantly outpaced the growth in household income and made housing much less affordable.
- Rental cost burden increased steadily with 53 percent of all renters paying 30 percent or more of their incomes, an increase of almost 5 percent since 2000.

### 4. Transportation

- The SCAG region has consistently been ranked as the most congested region in the nation.
- In 2005, the region experienced an increase in carpooling share and a decrease in drive-alone share of commuting both reversing the recent trends. These trend reversals also took place across the nation partly due to steep increases in gasoline prices. However, carpooling share in 2005 was still well below the 2000 level.
- Congestion appeared to stabilize in 2005 particularly in Los Angeles/Orange counties while continuing to increase in the Inland Empire.
- Average travel time to work in 2005 remained almost the same as in 2004.
- The total numbers of highway fatalities in 2005 remained almost the same as in 2004 while the rest of the state experienced increases.
- Total transit boardings increased by 16 percent in FY 2005, more than recovered the loss in the previous two years due to MTA labor strikes.

### 5. The Environment

- Between 2004 and 2005, the number of days exceeding federal 8-hour standards decreased in the South Coast and Ventura County but increased in the Mojave Desert and Salton Sea air basins. During the same period, the number of days for health advisory in the South Coast Air Basin increased from 4 to 11 days.
- The annual average concentrations of PM<sub>10</sub> were reduced in both the Salton Sea and South Coast but continued to exceed the federal standard between 2004 and 2005. In addition, neither the South Coast nor Mojave Desert air basin had exceedance regarding the federal 24-hour PM<sub>10</sub> standards in 2005.
- PM<sub>2.5</sub> exceedance continued but with a reduced annual average concentration level.

- The region continued to meet federal attainment standards regarding CO.
- The region continued to rely on fossil fuels largely through imports. About 85 percent of the energy resources consumed in California were fossil fuel-based (e.g. petroleum, natural gas and coal). Also about 85 percent of natural gas and 63 percent of the petroleum consumed in California were imported.
- Growing significance of the energy demand and use implications for the future of Southern California and the entire globe.
- The use of fossil fuels in mobile sources contributed to over 85 percent of the region's NOx emissions, a precursor for Ozone pollution. In addition, California's use of fossil fuels contributed to 81 percent of the state's total climate change pollutants.

## 6. Education

- Student test scores for 7th grade continued to perform below the national median except for Orange and Ventura counties. Nevertheless, from 2003 to 2005, there were slight improvements in math test scores throughout the region
- High school dropout rate decreased noticeably in Los Angeles County but increased in San Bernardino and Riverside counties. In 2005, San Bernardino County overtook Los Angeles County with the highest high school dropout rate.
- Every county in the region had less than 40 percent of its high school graduates meeting UC/CSU entrance requirements.
- Between 2000 and 2005, there were noticeable improvements in educational attainment. During this period, the percentage of adults with at least a high school degree increased from 74 to 77 percent while the percentage of adults with at least a bachelor's degree increased from 25 to 27 percent.
- Nevertheless, among the nine largest metros, the SCAG region remained in last place in the percentage of adults (77 percent) with at least a high school diploma, and for at least a Bachelor's degree (27 percent).
- There continued to have persistent racial/ethnic disparity in educational performance.

## 7. Safety

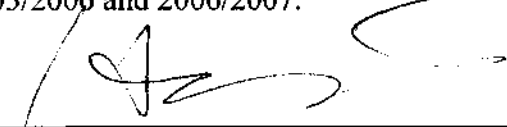
- Violent crime rates continued to decline by 11 percent from 2004 to 2005 with the most significant improvements in Los Angeles County.
- Juvenile felony arrest rates increased by 2 percent from 2004 to 2005 after a 3 percent increase during the previous period. The two consecutive years of increase were in contrast to the trend of continuous decline between 1990 and 2003.
- Between 2004 and 2005, hate crime activities also increased in the number of incidences (4 percent) and victims (2 percent) contrary to the trend of decline between 2001 and 2004.

# MEMO

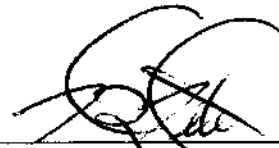
## FISCAL IMPACT:

Resources needed for preparing the 2006 State of the Region have been included in the SCAG budget for Fiscal years 2005/2006 and 2006/2007.

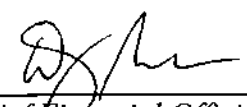
Reviewed  
by:

  
\_\_\_\_\_  
*Division Manager*

Reviewed  
by:

  
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*Department Director*

Reviewed  
by:

  
\_\_\_\_\_  
*Chief Financial Officer*

## ATTACHMENT 1

### Benchmarks Task Force Membership

Hon. Ronald O. Loveridge, Mayor, City of Riverside, Task Force Chair  
Hon. Debbie Cook, Councilmember, City of Huntington Beach, Vice Chair  
Hon. Paul Bowlen, Mayor, City of Cerritos  
Hon. Mona Field, Board of Trustees, Los Angeles Community College  
Hon. Larry McCallon, Councilmember, City of Highland  
Hon. Paul Nowatka, Councilmember, City of Torrance  
Hon. Pam O'Connor, Mayor, City of Santa Monica  
Hon. Bev Perry, City Clerk, City of Brea  
Hon. Toni Young, Councilmember, City of Port Hueneme  
Rick Bishop, Western Riverside Council of Governments  
Jonathan Choi, Building Industry Association of Southern California  
Kimberly Collins, San Diego State University (Imperial Valley Campus)  
Fernando Guerra, Loyola Marymount University  
Lee Hanson, California State University, San Bernardino  
Dean Kubani, City of Santa Monica Environmental and Public Works  
Jerilyn Lopez Mendoza, Environmental Defense  
Dowell Myers, University of Southern California  
Paul Ong, University of California, Los Angeles  
Anil Puri, California State University, Fullerton  
Arnold Sherwood, University of California, Berkeley  
Ty Schuiling, San Bernardino Associated Governments  
Arthur J. Shaw, Consulting Economist  
Jim Stewart, Southern California Council on Environment and Development  
Goetz Wolff, Center for Regional Employment Strategies and UCLA

## ATTACHMENT 2

### **The State of the Region 2005 Program A Brief Description of the Objectives and Process**

#### **Objectives**

1. Tracking and assessing the performance of Southern California in comparison to other metropolitan regions in the nation.
2. Disseminating information on the region's performance to assist public officials, business and community leaders in developing appropriate strategies to improve our communities.
3. Informing and educating community residents on how our region is performing.

#### **Intended Audiences**

1. Elected officials at local, state and federal levels.
2. Business and community leaders.
3. Key agency staff including local government chief administrative officers and planning directors.
4. Other key stakeholders and partners in regional planning.
5. Community groups and residents.

#### **Implementation**

1. With the guidance of a Benchmarks Task Force, which consists of elected officials and issue expert representatives in the region, SCAG staff collected and analyzed information regarding the performance of the region. Regional performance was assessed with respect to issues including demography, economy, housing, transportation, environment, education and public safety. A Report titled "*The State of the Region 2005*" was then prepared and released on January 5, 2006.
2. A total of 1,200 copies of *The State of the Region 2005* and 2,500 copies of the *Report Cards* have been distributed to many interested parties, including, for example:
  - Regional Council and Policy Committee members including more than 100 elected officials;
  - Chief County and City Administrators of 193 local governments in the region;
  - local government planning directors;
  - members of the state and congressional delegations; and
  - regional public libraries.
3. The complete Report and Report Card have been posted on the SCAG's home page ([www.scag.ca.gov](http://www.scag.ca.gov)) since January 5, 2006 and has been downloaded more than 50,000 times.

# MEMO

4. The press conference to release *The State of the Region 2005* on January 5, 2006 received very prominent media coverage throughout Southern California and beyond. Report coverage included 27 newspapers (including outside of the region), 11 TV stations and 4 radio stations. Specifically, newspaper coverage included the following:
  - Los Angeles Daily News
  - Orange County Register
  - Riverside Press Enterprise
  - San Bernardino County Sun
  - Ventura County Star
  - Inland Valley Daily Bulletin
  - Antelope Valley Press
  - Copley News Service
  - Hi-Desert Star
  - Los Angeles Business Journal
  - Long Beach Press Telegram
  - LA Voice
  - North County Times
  - Pasadena Independent
  - San Gabriel Valley Tribune
  - South Bay Daily Breeze
  - Victor Valley Daily Press
  - Korean Times
  - La Opinion
  - China Press
  - Chinese Daily News
  - Sing Tao Daily
  - San Jose Mercury News
  - San Diego Tribune
  - Daily Bulletin
  - Merced News
  - Sacramento Bee
5. In addition to the media coverage, SCAG staff has also received invitations and made presentations to public and private organizations in the region.
6. *The State of the Region* has been used as course reference materials in universities such as UCLA, UC Riverside and University of Southern California.
7. *The State of the Region* has been identified by the U.S. GAO as an example in the nation that contains a comprehensive indicator system.



## **Highlights of the 2006 State of the Region**

***Regional Council  
CEHD Policy Committee  
December 14, 2006***

**Ping Chang, Program Manager  
Performance Assessment and Monitoring  
Data and Monitoring Division  
(chang@scag.ca.gov, 213-236-1839)**

**Southern California Association of Governments**



## **Overall Approach**

- **Guided by the Benchmarks Task Force**
- **Build on the previous assessment of the 1990s**
- **Focus on 2000-2005 change, particularly during 2005**
- **Assess whether our region achieved absolute improvements**
- **Assess how our region performed relative to other large metropolitan regions**

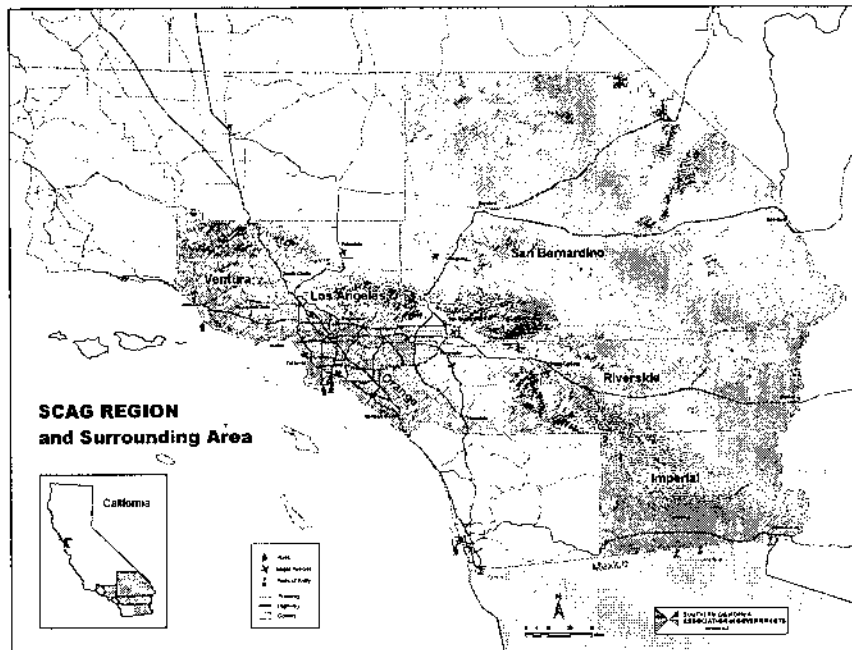
**Southern California Association of Governments**



## 2006 Report Issue Areas

1. Population
2. The Economy
3. Housing
4. Transportation
5. The Environment
6. Education
7. Safety

Southern California Association of Governments



Southern California Association of Governments





## Highlights of Findings

1. Population experienced slower growth in 2005 partly due to increased domestic outmigration. Continued the demographic transformation processes.
2. Achieved the lowest unemployment rate since 1988, however, income growth was at a much slower pace. Continued to experience high levels of poverty.
3. Homeownership rates have increased by 2 percentage points since 2000. Experienced record high housing prices and record low housing affordability.

Southern California Association of Governments



## Highlights of Findings

4. Noticeable decrease in the share of drive-alone commuting reversing the recent trend of increase. Peak period congestion appeared to stabilize particularly in Los Angeles/Orange counties.
5. Some improvements in air quality particularly in  $PM_{10}$  and  $PM_{2.5}$ . Mixed performance in Ozone.
6. Continued reliance on fossil fuels largely through imports. Growing significance of the energy demand and use implications for the future of Southern California and the entire globe.

Southern California Association of Governments



## Highlights of Findings

7. Some improvements in educational attainment but remained last among major metros.
8. Continuing decline in violent crime rates. However, there were slight increases in juvenile and hate crimes contrary to recent trends.

Southern California Association of Governments

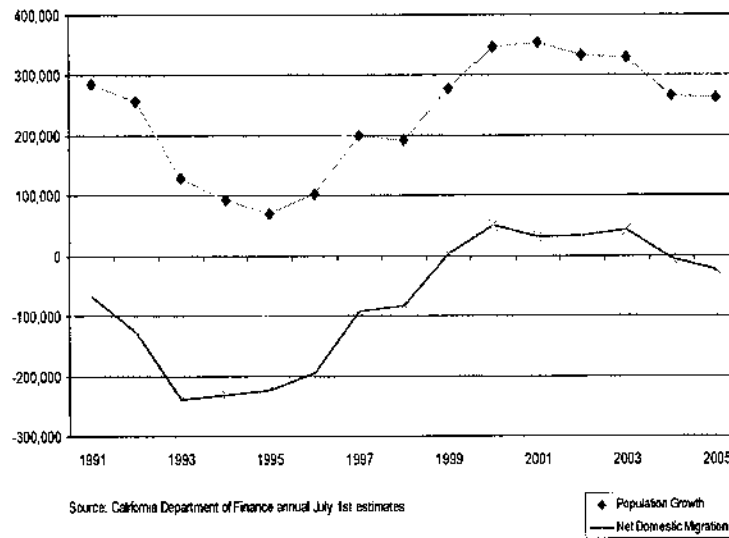


## Highlights of Findings

1. After reaching its highest annual growth in 2001 since 1990, population in the region experienced slower growth partly due to increased domestic outmigration. Continued the demographic transformation processes.

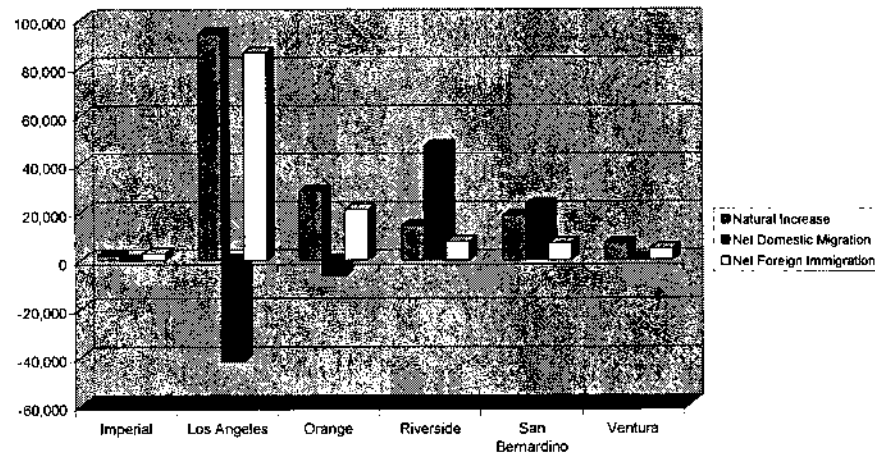
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### Population Growth vs. Net Domestic Migration



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### Population Growth - Types of Source by County, 2000-2005 (Annual Average)



Southern California Association of Governments

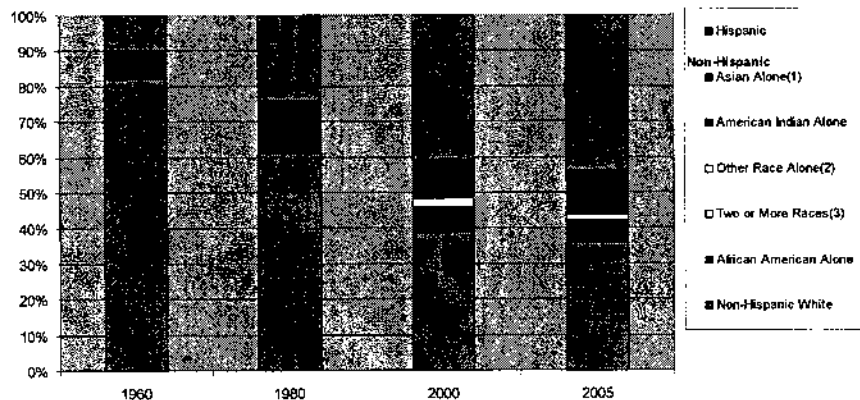


## ***Demographic Transformation Continued :***

- Increasing share of Hispanics and Asians.
- Decreasing share of the new immigrants and increasing share of settled immigrants.
- Growing share of the second generation immigrants.
- Continued aging of the population.

**Southern California Association of Governments**

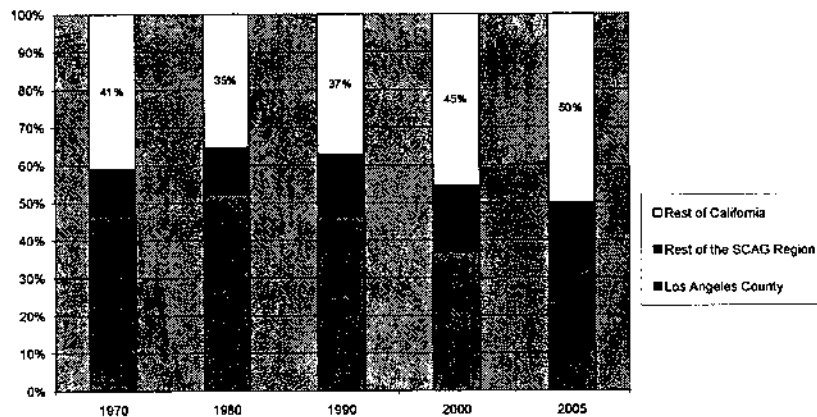
## **Population by Race and Ethnicity**



Notes: (1) "Asian Alone" also includes Pacific Islander.  
 (2) "Other Race Alone" is too small to be shown.  
 (3) Only the 2000 and 2005 data included the "Two or More Races" category to which people may choose to belong.  
 Source: U.S. Census Bureau. Data in 1960 was estimated by James Allen and Eugene Turner, 2002. *Changing Faces, Changing Places*.

**Southern California Association of Governments**

### Share of New Immigrant Population in California



Note: New immigrants are those immigrants who arrived in the U.S. within the last ten years (except for 2005 data is for those who arrived in the U.S. in 2000 or later).  
Rest of California = California less the SCAG Region  
Source: U.S. Census Bureau

Southern California Association of Governments

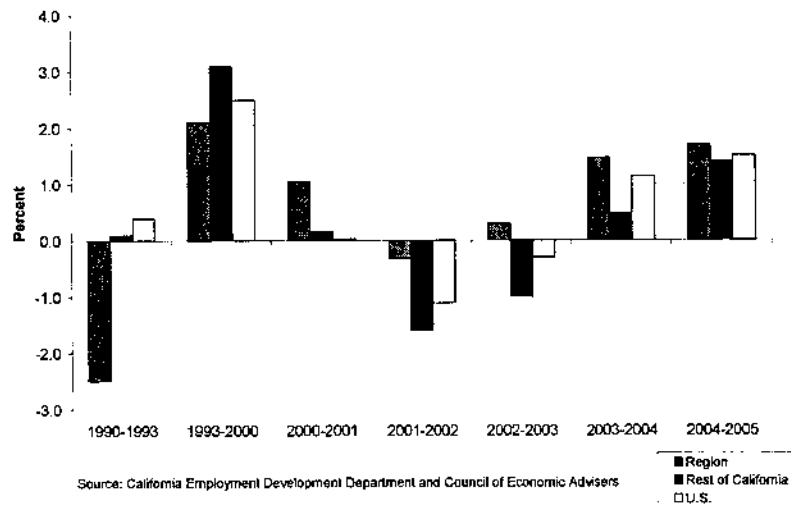


### Highlights of Findings

- Achieved record low unemployment rate since 1988, however, income growth was generally at a much slower pace. Poverty rate remained higher than the national level.

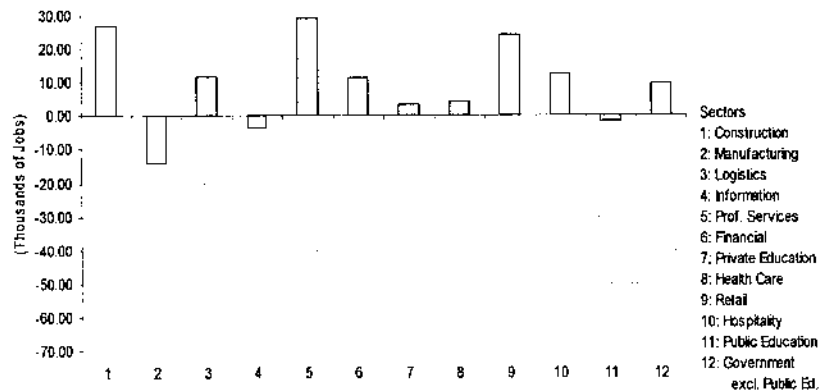
Southern California Association of Governments

### Employment Change (Annual Average)



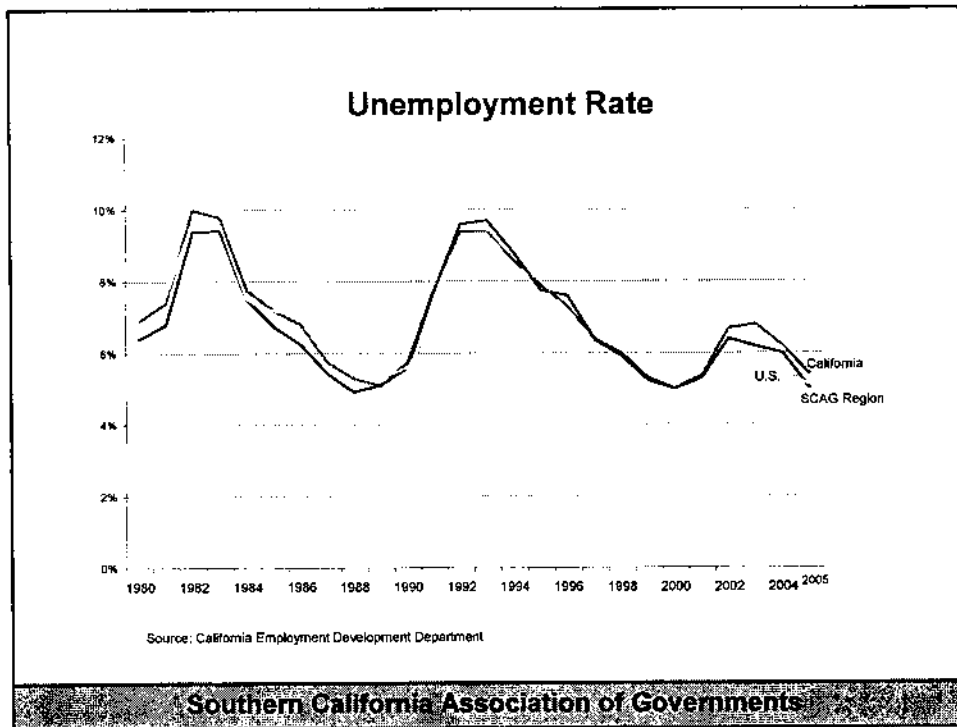
Southern California Association of Governments

### Employment Change by Selected Sectors (2004-2005)



Financial = Finance, Insurance and Real Estate  
 Logistics = Wholesale Trade, Transportation and Warehousing  
 Information sector includes communications, publishing, motion picture production and internet service providers  
 Source: California Employment Development Department

Southern California Association of Governments

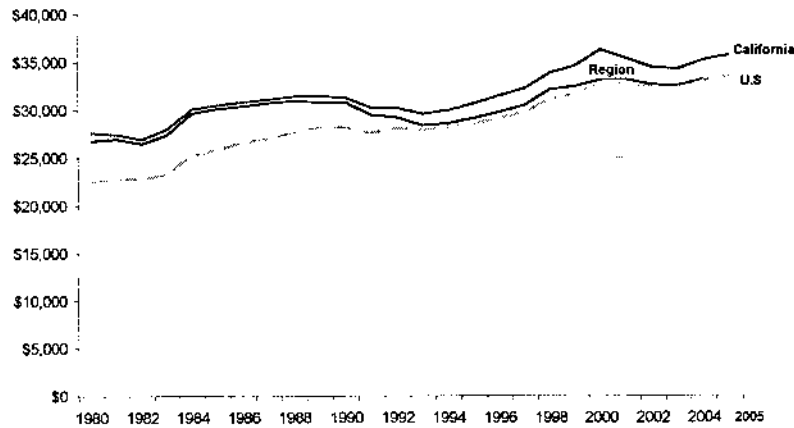


### ***Real Average Payroll per Job***

**- Declined by 1.6 percent in 2005  
after increasing by 1.7 percent in  
2004**

Southern California Association of Governments

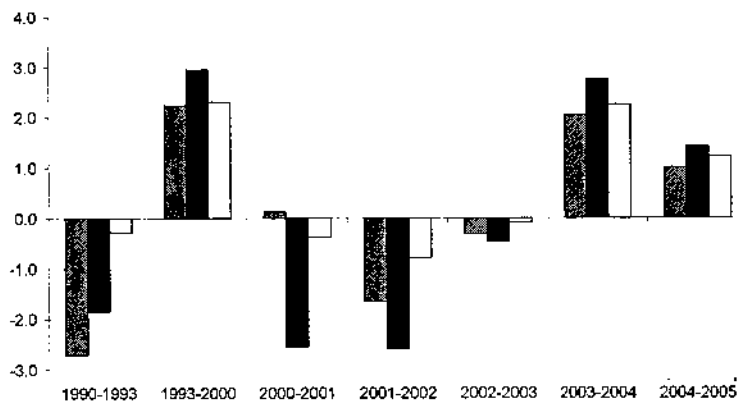
### Real Personal Income Per Capita (2004 Dollars)



\* Data for the SCAG Region in 2005 is not available  
Source: U.S. Bureau of Economic Analysis

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### Growth of Real Personal Income Per Capita (Annual Average)



\* Estimates for the SCAG Region  
Source: U.S. Bureau of Economic Analysis

REGION CA U.S.

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### Per Capita Income by Metropolitan Region 2004



Source: U.S. Bureau of Economic Analysis

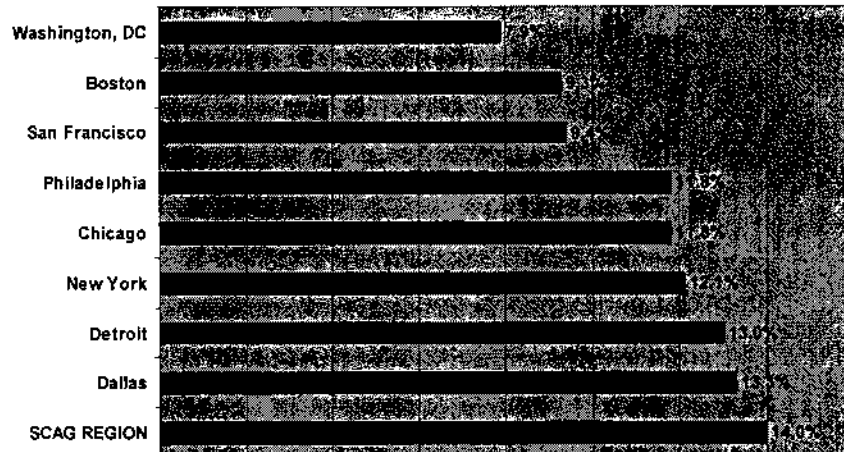
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***Real median household income***  
***- Declined slightly in 2005 by***  
***0.5% to reach \$52,069 while***  
***remaining the same at the***  
***national level***

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### Persons in Poverty by Metropolitan Region, 2005



Source: U.S. Census Bureau, 2005 American Community Survey

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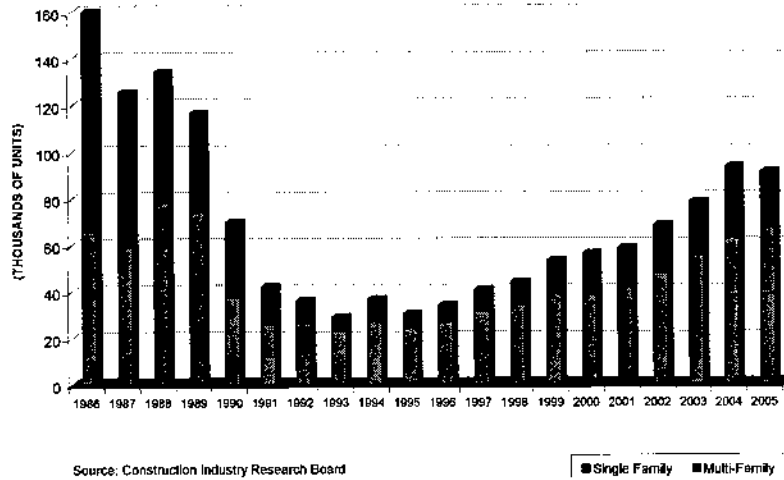


### Highlights of Findings

3. High level of housing permit activities in 2005 though slightly lower than in 2004. Homeownership rates have increased by 2 percentage points since 2000. Experienced record high housing prices and record low housing affordability.

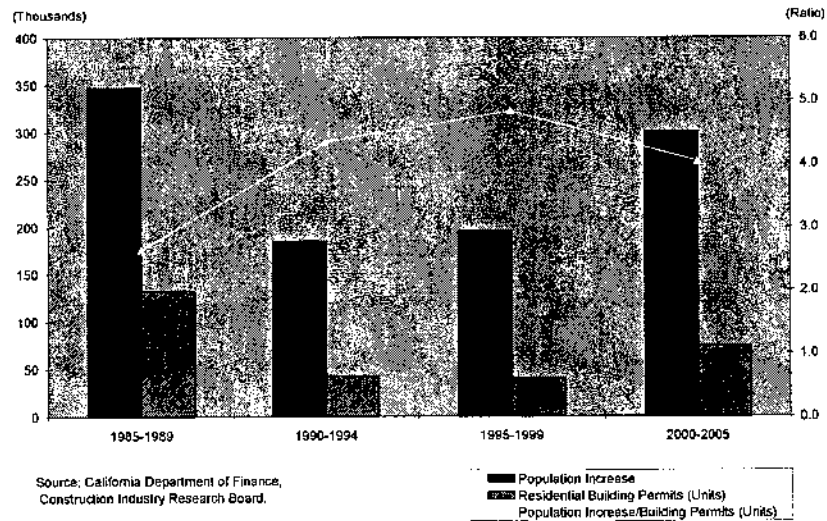
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## Residential Building Permit Activity



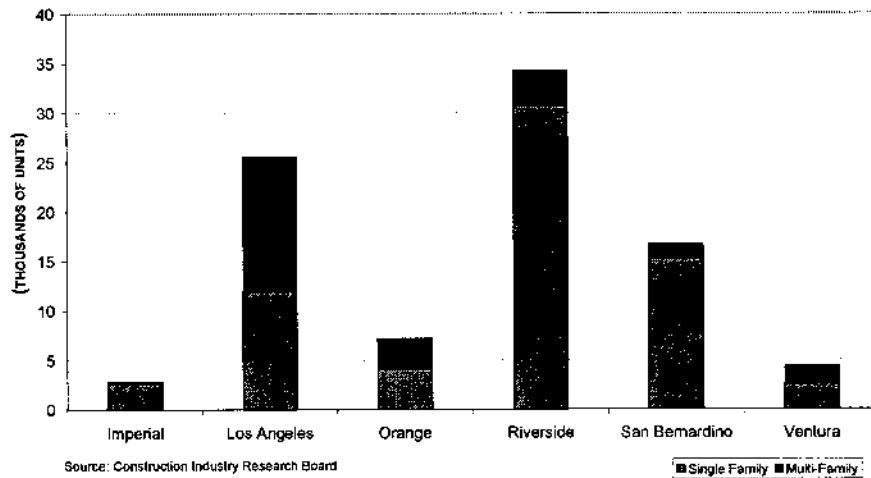
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## Population Increase vs. Building Permits 1985-2005 (Annual Average)



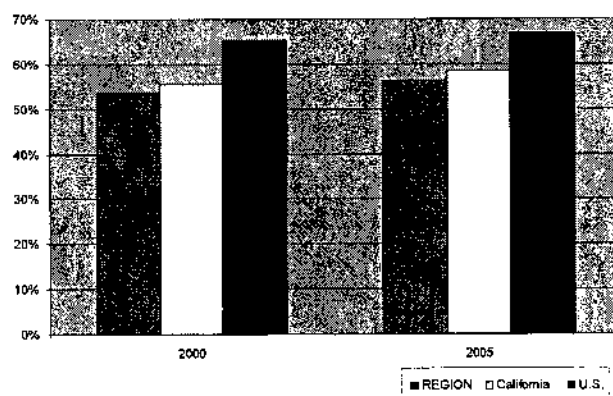
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### Residential Building Permits by Housing Types, 2005



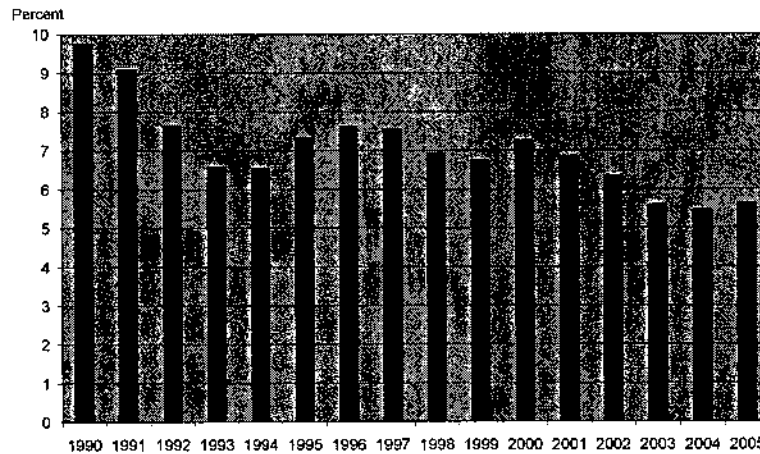
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### Homeownership Rates



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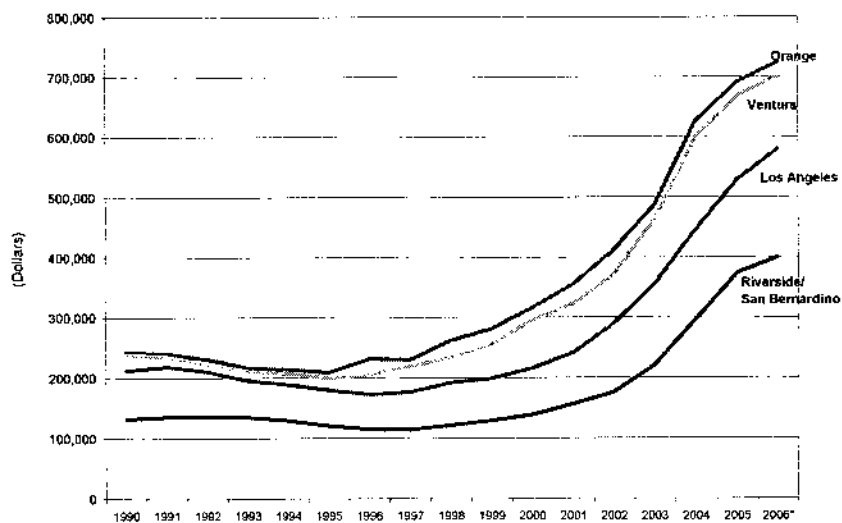
## Average Mortgage Rate



Source: Real Estate Research Council of Southern California

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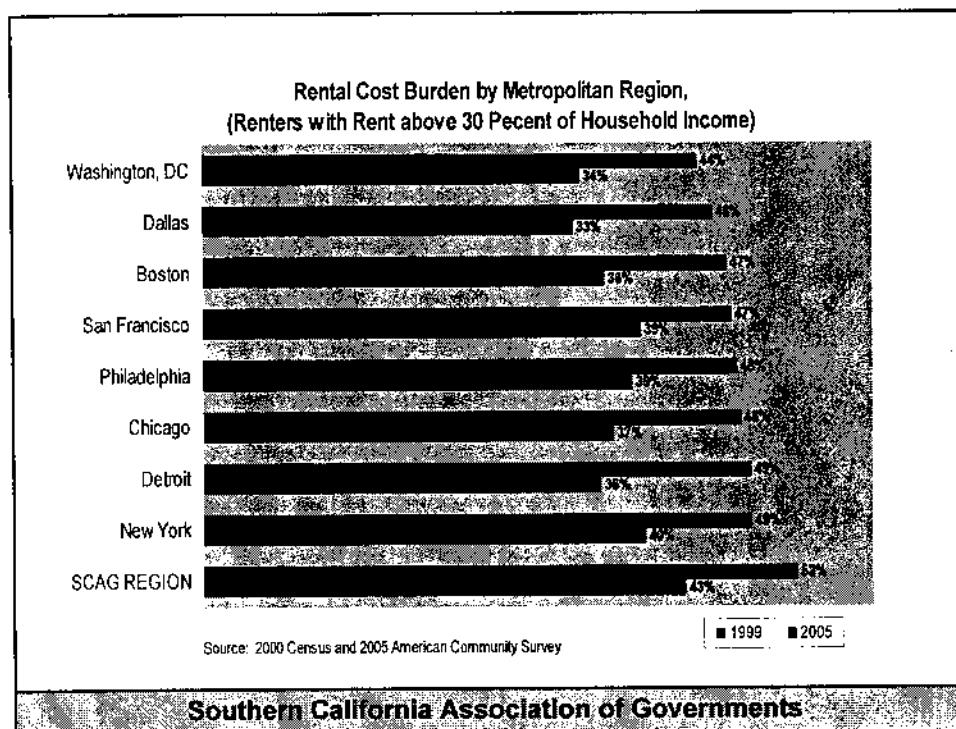
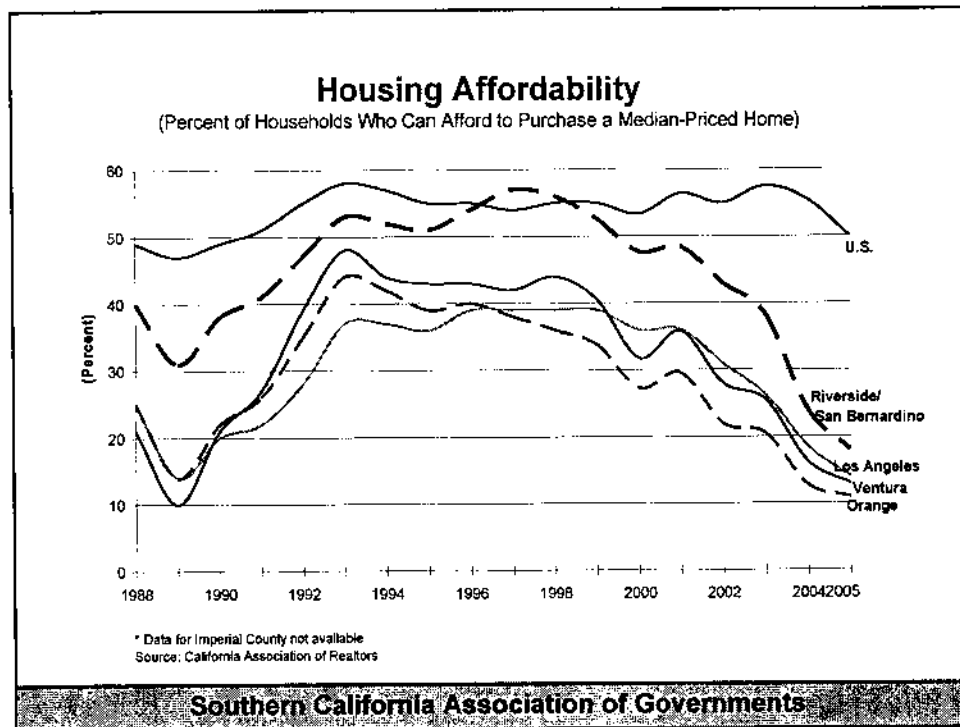
## Median Home Price (Existing Single-Family Homes in Current Dollars)

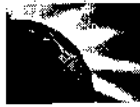


\* Based on June 2006 median home prices

Source: California Association of Realtors, Imperial County data not available.

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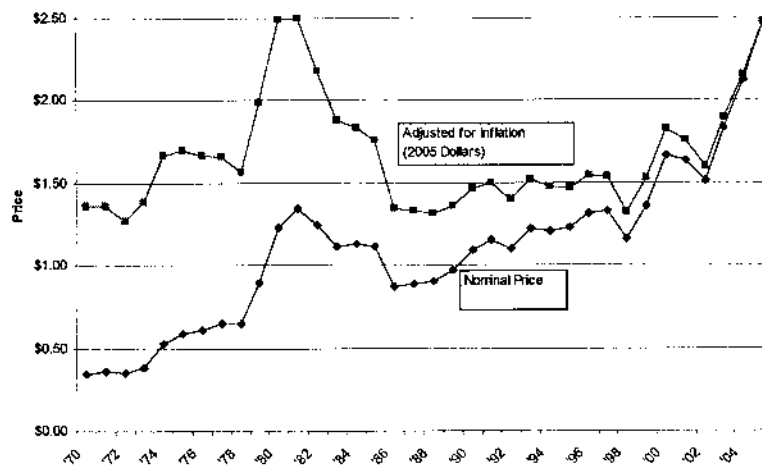


## Highlights of Findings

4. Noticeable decrease in the share of drive-alone commuting reversing the recent trend of increase. Peak period congestion appeared to stabilize particularly in Los Angeles/Orange counties.

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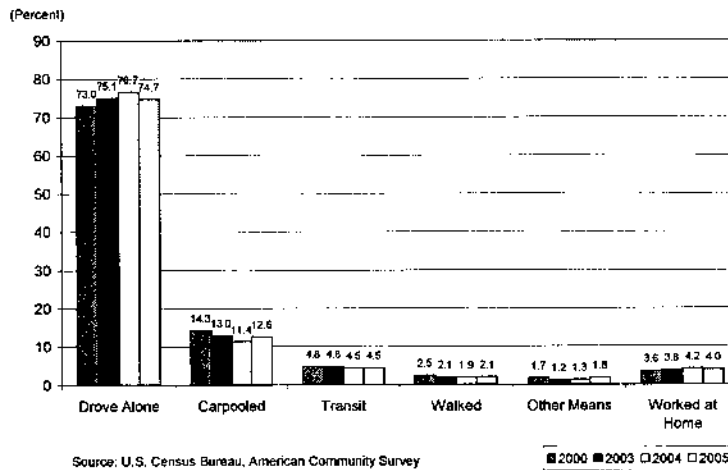
California Gasoline Prices per Gallon, 1970-2005  
(Annual Average)



Source: California Energy Commission

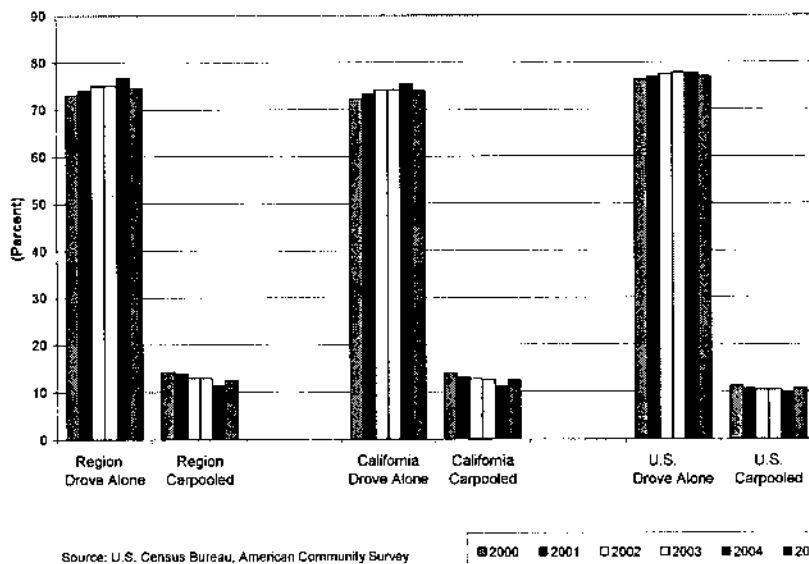
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## Mode Choice to Work (Workers 16 Years and Over)



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## Mode Choice to Work- Drive Alone and Carpool (Workers 16 Years and Over)



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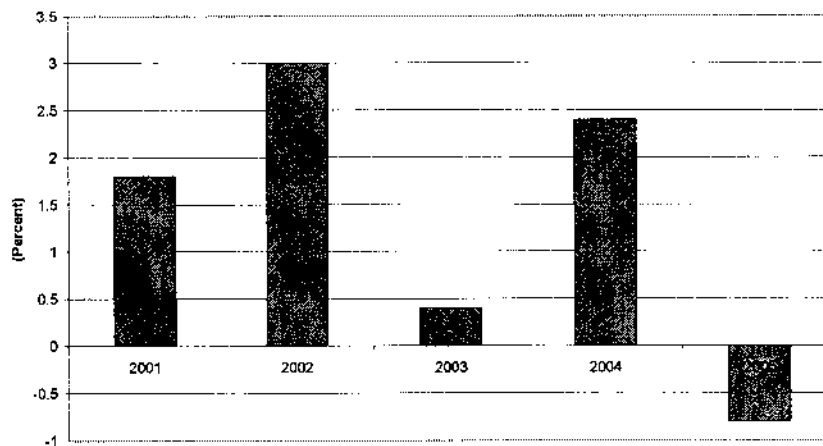


### ***Average travel time to work***

- At 29 minutes, almost the same as in 2004
- Slight decreases in Los Angeles and Orange counties while continuing to increase in the Inland Empire

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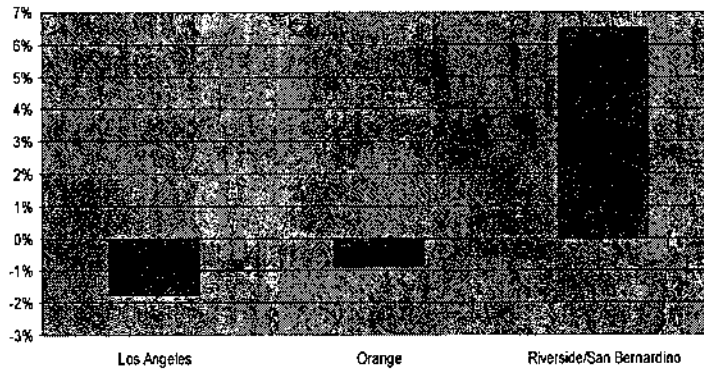
### **Vehicle Miles Traveled (VMT) (Change from the Previous Year)**



Source: California Department of Transportation

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### Freeway Congestion Level, 2004-2005



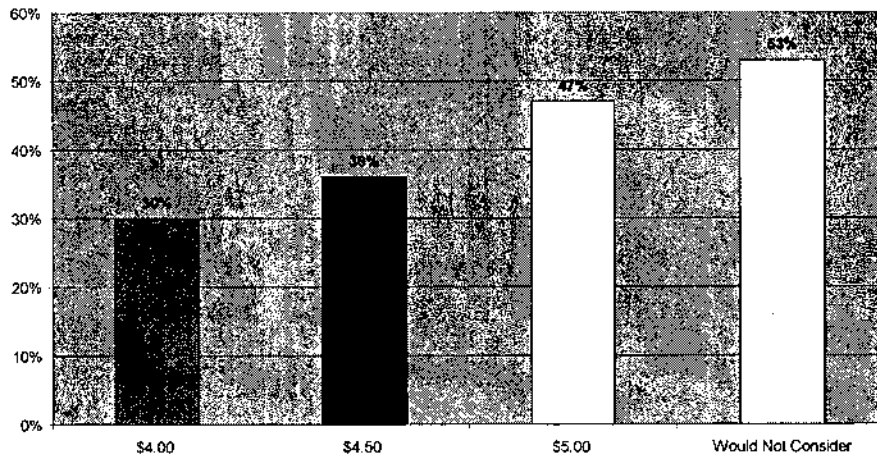
Note: Based on the travel time index that is the ratio of peak period travel time and free flow travel time. Data for Ventura and Imperial counties not available.

Source: Federal Highway Administration, Urban Congestion Report

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### Gasoline Price Thresholds Affecting Mode Choice

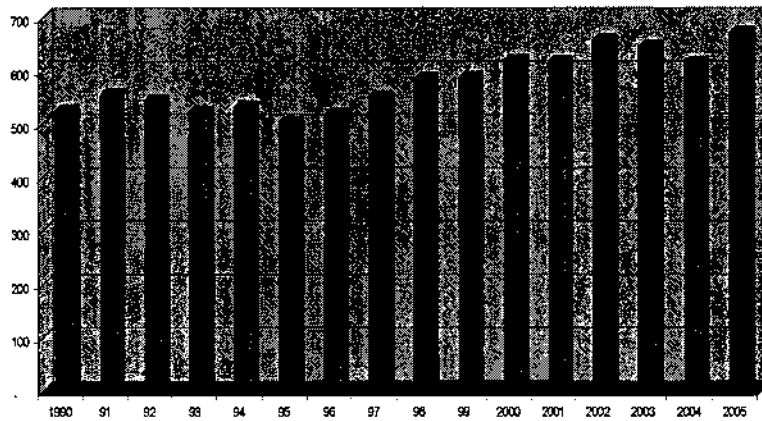
Survey Question: At What Price Would You Consider An Alternative Mode?



\*Respondents were those who drove alone to work  
Source: SCAG 2005 State of the Commute Survey

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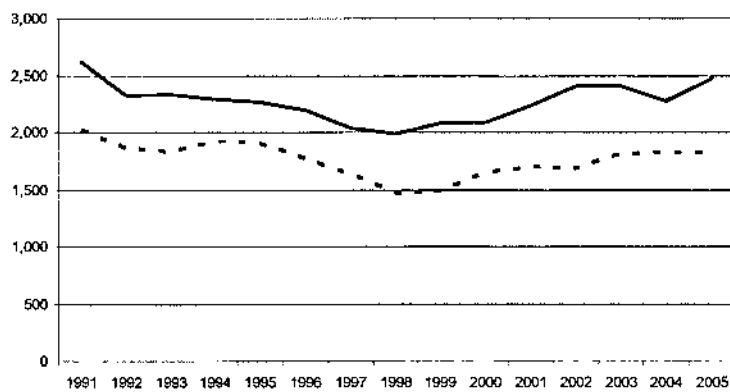
### Transit Boardings - All Major Operators (Millions)



Source: National Transit Database and SCAG including preliminary estimates for 2005 data.

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### Highway Accident Fatalities



Source: California Highway Patrol with 2005 preliminary data

— Rest of California  
- - - Region

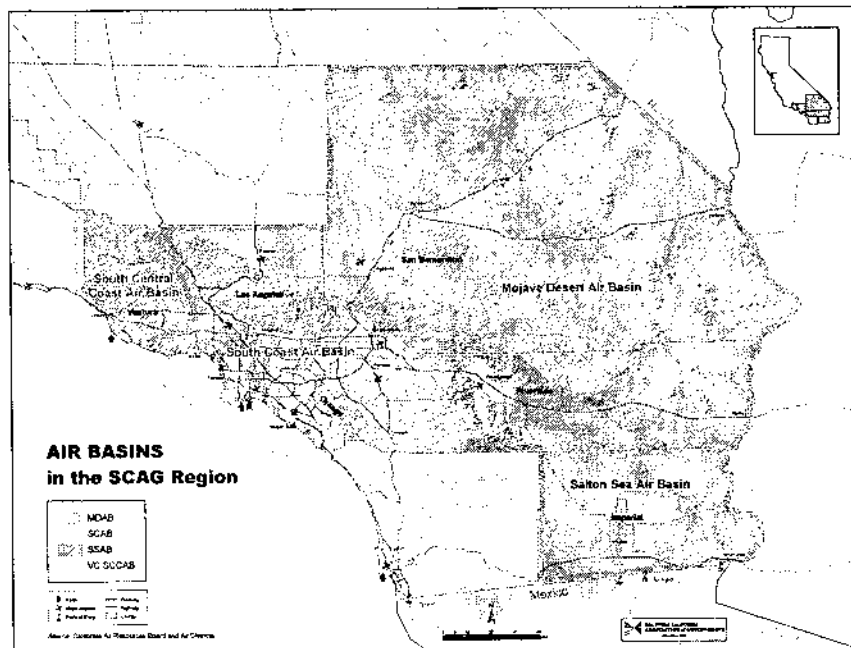
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## Highlights of Findings

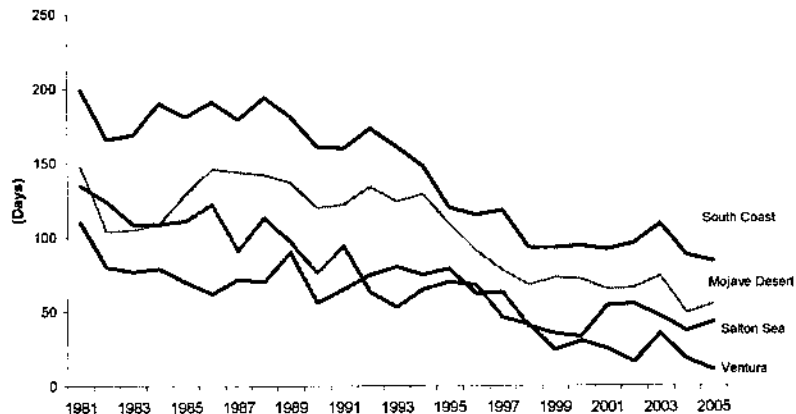
5. Some improvements in air quality particularly in  $PM_{10}$  and  $PM_{2.5}$ . Mixed performance in Ozone with the number of days of health advisory increased in 2005 in the South Coast Air Basin.

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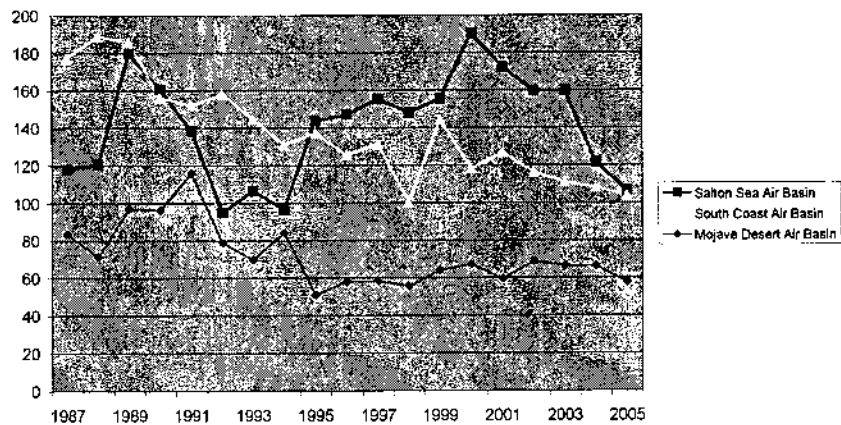
### Ozone Pollution in Non-attainment Air Basins (Number of Days Exceeding Federal Eight-Hour Standard)



\* Ventura County is part of the South Central Coast Air Basin  
Source: California Air Resources Board and South Coast Air Quality Management District

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### PM<sub>10</sub> in Non-attainment Air Basins (Percent of Federal Annual Average Standard\*)

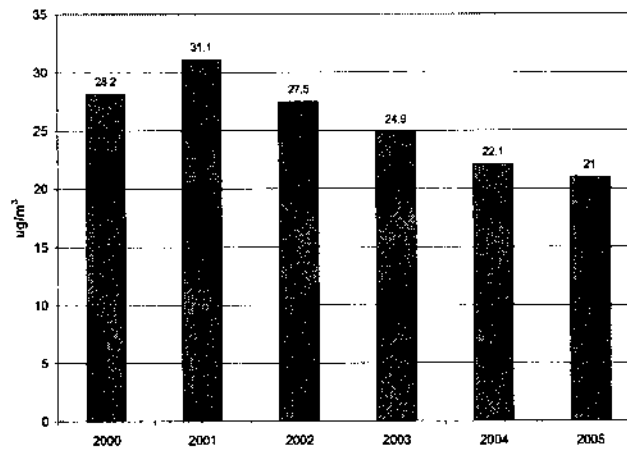


\* Above 100 percent means exceeding the federal standard. Also PM<sub>10</sub> condition may be impacted significantly by natural events or pollution transport.

Source: California Air Resources Board

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### PM<sub>2.5</sub> Pollution in the South Coast Air Basin (Annual Average Concentration\*)



\* Federal annual average standard for PM<sub>2.5</sub> is 15 ug/m³  
Source: South Coast Air Quality Management District

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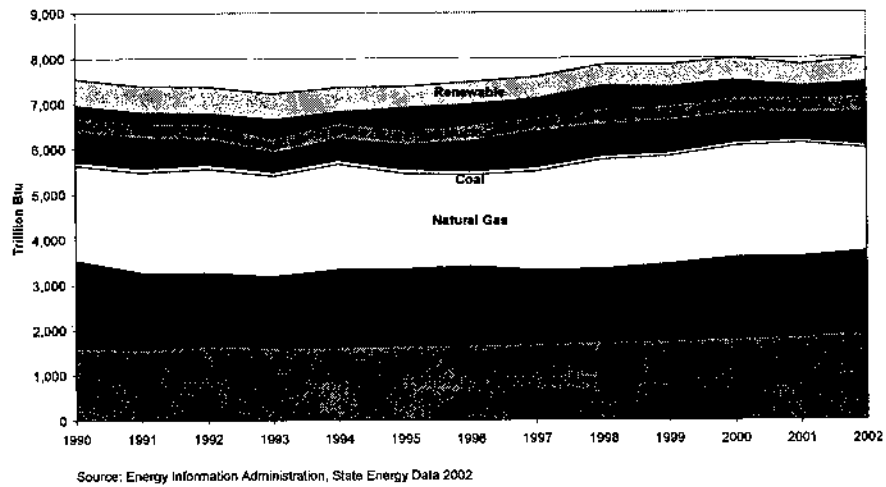


## Highlights of Findings

6. Continuing reliance on fossil fuels largely through imports. Growing significance of the energy demand and use implications for the future of Southern California and the entire globe.

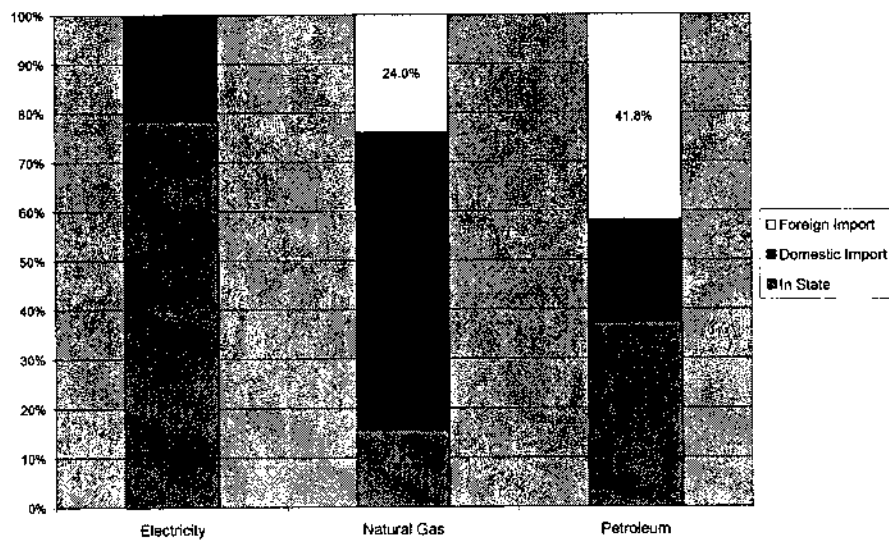
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## California Energy Consumption Estimates by Source



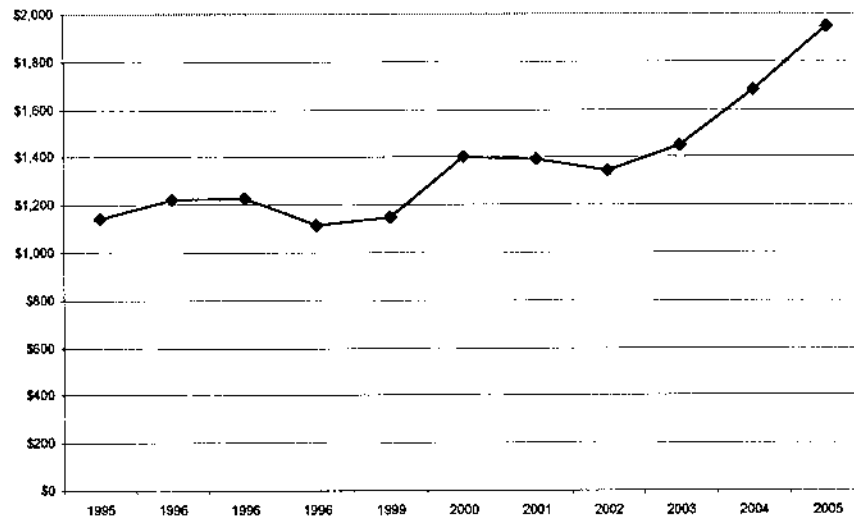
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## California's Major Sources of Energy, 2005



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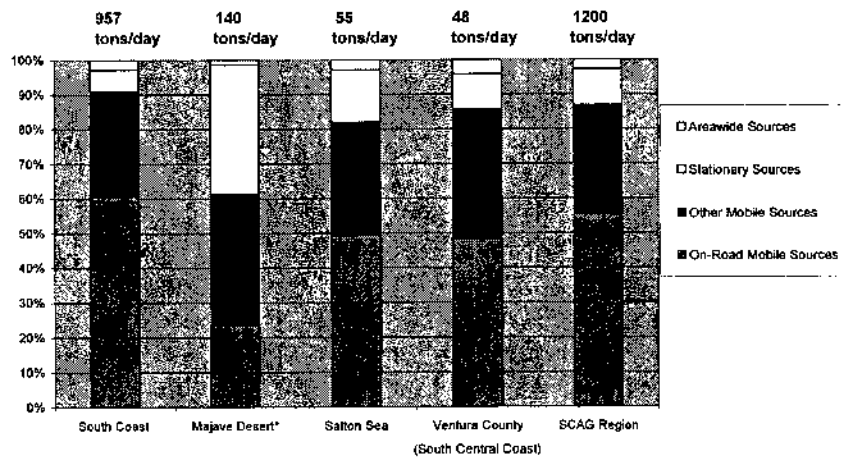
### Average Household Expenditure on Gasoline



Source: Mark Cooper, 2005, The Impact of Rising Prices on Household Gasoline Expenditures, Consumer Federation of America.

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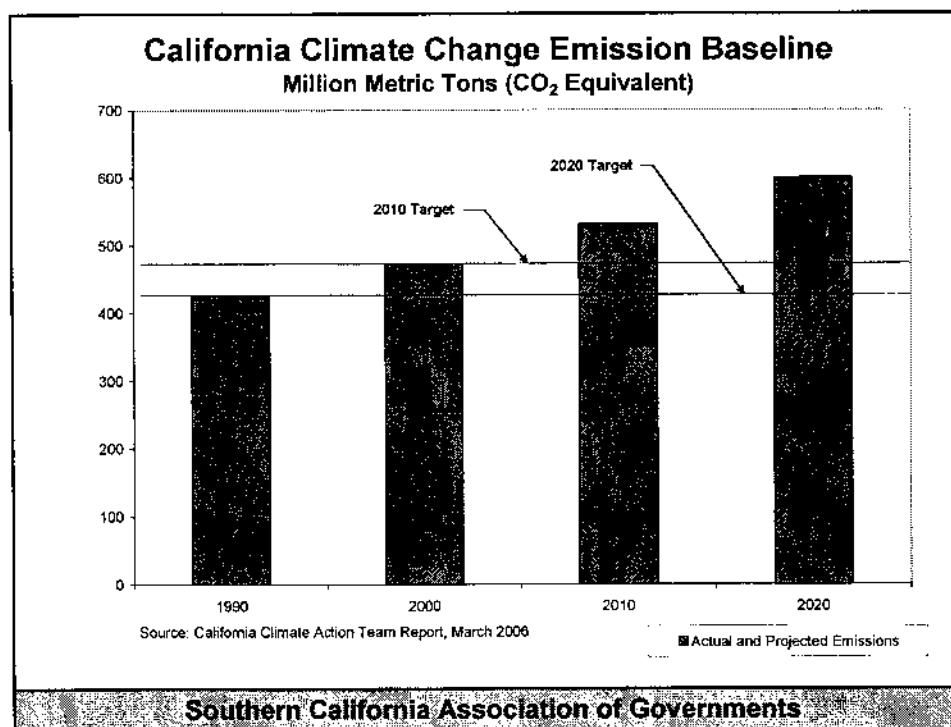
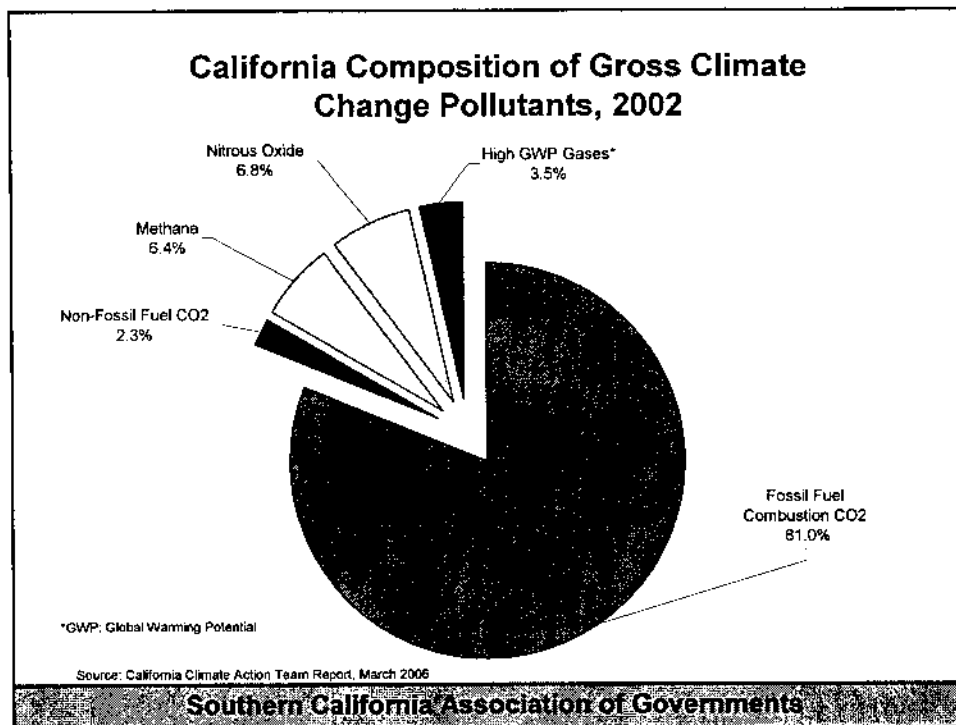
### NOx Emissions by Air Basin and Source, 2005



\* Excluding areas within Kern County that is outside the SCAG region  
 Source: California Air Resources Board

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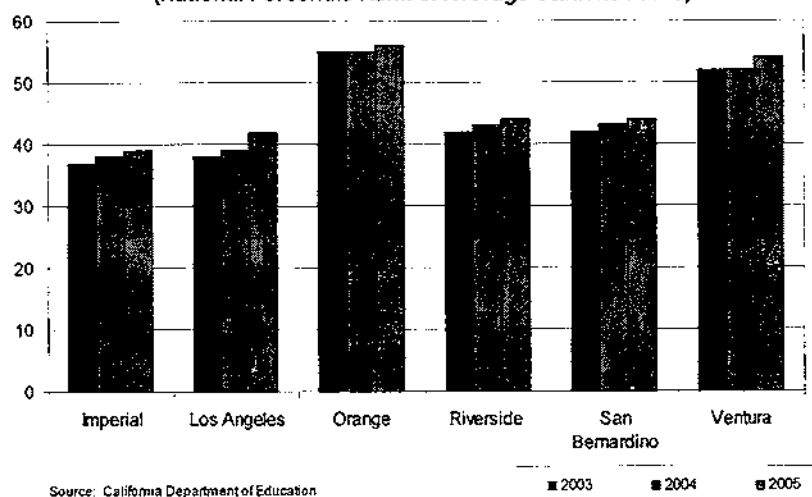


## Highlights of Findings

7. Some improvements in educational attainment but remained last among major metros.

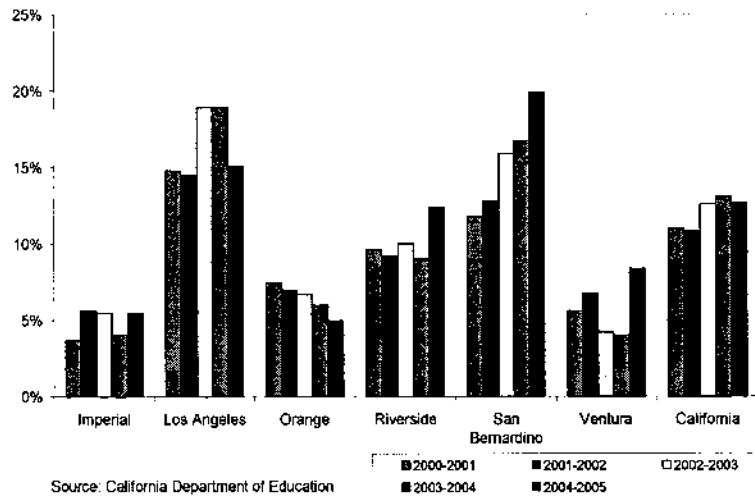
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Math Test Scores for 7th Grade  
(National Percentile Rank of Average Student Score)



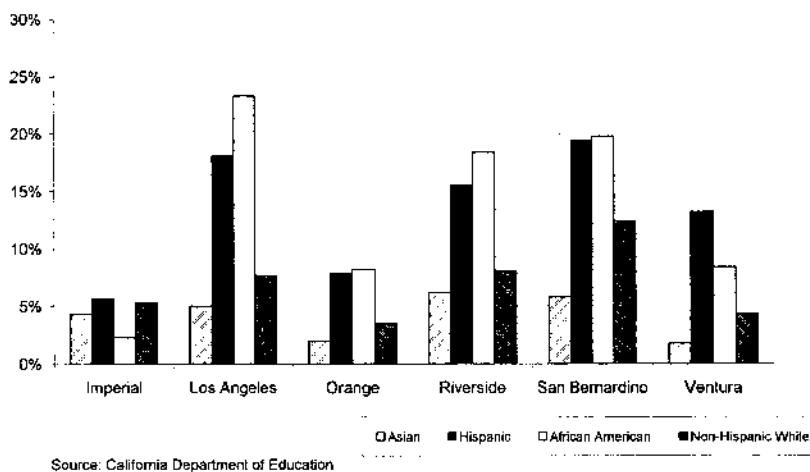
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### Dropout Rates in Public High Schools



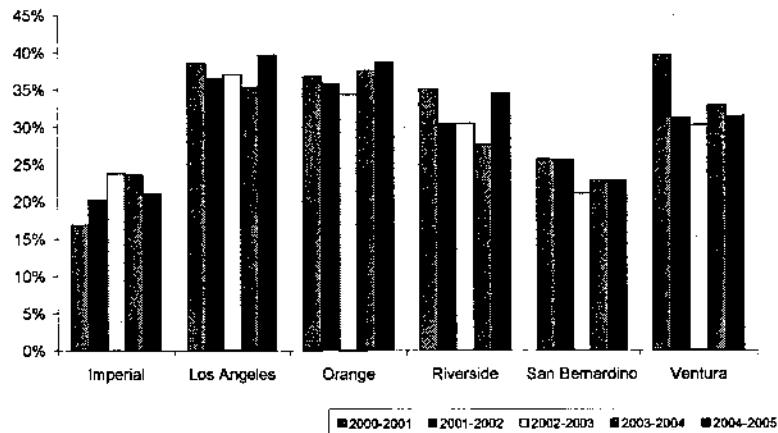
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### Dropout Rates by Race/Ethnicity in Public High Schools, 2004-2005



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### High School Graduates Completing Courses Required for UC or CSU Entrance



Source: California Department of Education

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### Educational Attainment by Metropolitan Region (Bachelor's Degree or Higher\*)



\*Percent of persons 25 years and over

Source: 1990 and 2000 Census

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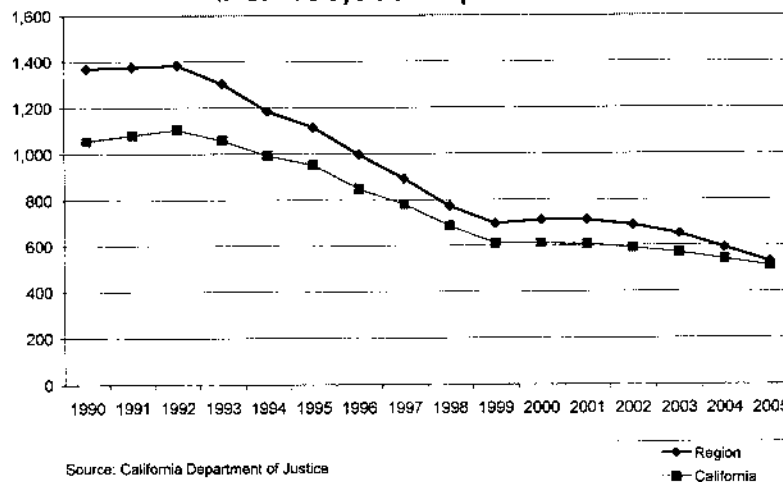


## Highlights of Findings

8. Continuing decline in violent crime rates. However, there were slight increases in juvenile and hate crimes contrary to recent trends.

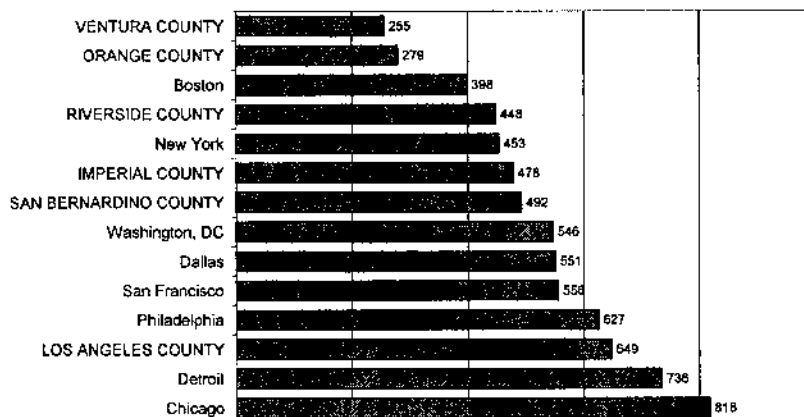
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**Violent Crimes**  
(Per 100,000 Population)



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### Violent Crimes by Metropolitan Area, 2005 (Per 100,000 Population)

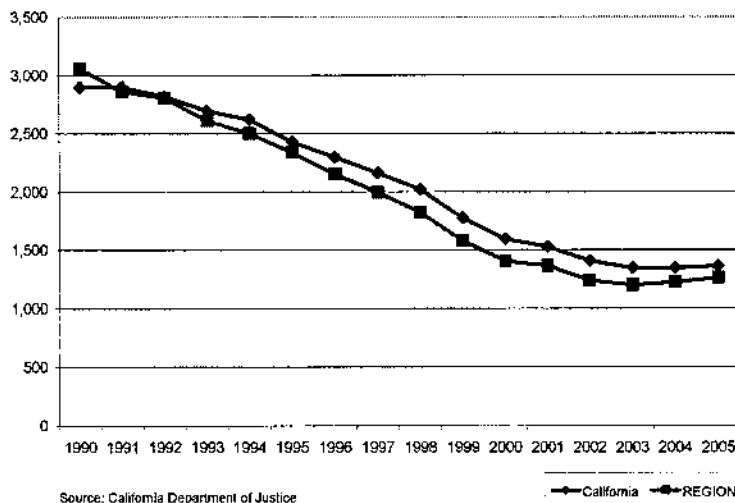


\*Based on Metropolitan Statistical Area unless noted otherwise. Chicago data is based on Cook County data.

Source: FBI 2005 Uniform Crime Report; Illinois State Police 2005 Uniform Crime Report

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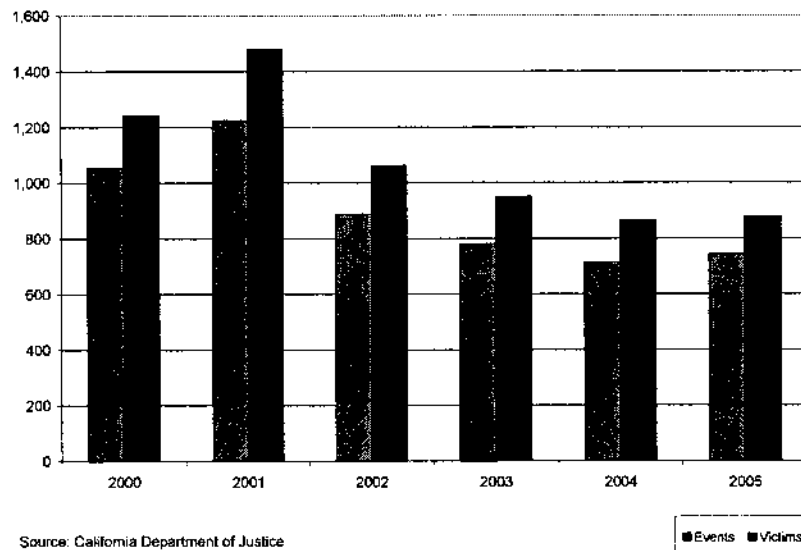
### Juvenile Felony Arrests (Per 100,000 Population Aged 10-17)



Source: California Department of Justice

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### Hate Crime Activities



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***Only by working together  
toward a shared vision can the  
SCAG region successfully run  
the competitive race for a  
better tomorrow.***

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## **End of Presentation**

***Thank You!***  
***Questions?***  
***Comments?***

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# MEMO

**DATE:** December 14, 2006

**TO:** Community, Economic, and Human Development Committee

**FROM:** Jeffrey S. Dunn, Government Affairs Analyst

**SUBJECT:** Infrastructure Bonds: Issues and Impacts

---

## BACKGROUND:

On November 7, 2006, California voters approved Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006. Proposition 1C authorizes the sale of \$2.65B in bonds and specifies that its proceeds be deposited in various funds to fund 13 new and existing housing and development programs administered by the State Department of Housing and Community Development (HCD).

- Of the \$2.85B provided by this bond, approximately \$1.5B is allocated for existing housing programs administered by HCD, and approximately \$1.35B is 'new' money to be allocated for the following purposes:
  1. \$850M for infill development;
  2. \$200M for parks/recreation development;
  3. \$300M for Transit-Oriented Development to provide high-density housing near transit stations. (The bond provides that HCD, as part of its process for considering recipient projects for these funds, shall grant bonus points to projects or developments that are in an area designated by the appropriate council of governments for infill development as part of a regional plan).
- HCD is in the process of developing the program guidelines for projects applications for these funds. For TOD funds, the program will be modeled after the Multi-Family Housing Program that was the primary recipient of Prop. 46 funds passed by the voters a few years ago.
- All programs shall be considered by competitive application according to a ranking system established by HCD.
- HCD has met with the major transit agencies statewide to gather information on transit project goals and criteria and will hold six site workshops to gain more information from local agencies.
- The timeline to begin the application process for all projects is June 2007 before the FY ends.

# MEMO

## Regional Economic Impacts

Implementation of the housing bond will provide economic stimulus to the region and will cause a ripple effect in the overall regional economy, not only within the building industry but also for a wide range of related industries and services. In addition to the direct benefits of increased employment of construction workers, architects, engineers, and skilled trade workers, industry suppliers of materials and services necessary for the development of parks, sewer, transportation, and environmental clean-up related to infill development will benefit from this bond, as well as wholesale and retail suppliers of all goods and services related to residential construction. In broader economic terms, implementation of the housing bond will soften the landing of the recent downturn of housing starts and the cyclical correction occurring in the residential real estate market overall.

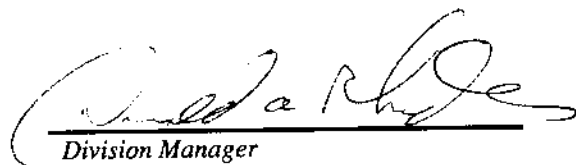
## Proposition 1C Funds' Allocation/Implementation

It is anticipated that discretionary bond monies will be allocated in a manner similar to past allocations of funds authorized by ballot proposition, with HCD promulgating the guidelines and criteria for submission, ranking, and selection of projects. SCAG will work to identify the best use of Proposition 1C discretionary funds to appropriate them in a manner consistent with its regional plans and adopted initiatives. SCAG will work to ensure that TOD funds are allocated to the critical growth opportunity areas identified in the Compass Blueprint 2% strategy, and will work generally to ensure that the region receives funds that are proportional to its statewide share of need to develop housing, infill, and other purposes specified by the bond.


## **FISCAL IMPACT:**

All work related to ongoing efforts to assist the implementation of the housing bond is contained within the adopted FY 06-07 budget and does not require the allocation of any additional financial resources.

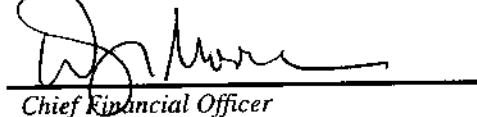
Reviewed by:

  
Division Manager

Reviewed by:

  
Department Director

Reviewed by:

  
Chief Financial Officer

# MEMO

**DATE:** December 14, 2006  
**TO:** Energy and Environment Committee  
**FROM:** Jeffrey S. Dunn, Government Affairs Analyst  
**SUBJECT:** Infrastructure Bonds: Issues and Impacts

---

## BACKGROUND:

On November 7, 2006, California voters approved Proposition 1E, the Disaster Preparedness and Flood Prevention Bond Act of 2006, and Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006.

### Proposition 1E

Prop. 1E is a \$4.1 billion levee repair and flood control bond designed to shore up the state's deteriorating levee system. Of the total bond, \$3 billion would go to the Delta and state-federal project levees. The remaining \$1.09 billion includes \$500 million for statewide flood control subventions; \$300 million for grants to local governments for storm water flood management; and \$290 million for alluvial floodplains and bypasses. The majority of these funds would go to Bay Area, Southern California, and Napa communities.

### Regional Impacts

Proposition 1E subvention allocations to the SCAG region are as follows:

- Orange County will receive approximately \$185 million in directed funding for the Santa Ana River Mainstem and is eligible for its share of funding from the \$300 million for storm water flood control projects.
- Los Angeles County will receive approximately \$10 million in directed funding for the Los Angeles County Drainage Area and is eligible for its share of funding from the \$300 million for storm water flood control projects.
- Riverside County will receive approximately \$12.9 million: Gunnerson Pond - \$1.5 million; Murrieta Creek - \$5.2 million; Norco Bluffs - \$3.5 million; Santa Ana River Mainstem - \$2 million; Lake Elsinore Outlet - \$700,000.
- San Bernardino County will receive approximately \$6.1 million.

# MEMO

## Proposition 84

Prop. 84 is a \$5.4 billion initiative that will provide funding for all of the major natural resource protection and water programs at the state level. All of California will benefit from these funds, as programs with local, regional and statewide benefit can all compete for funding. The bond provides funding under the following broad categories:

- Water quality \$1.525 billion
- Protection of rivers, lakes and streams \$ 928 million
- Flood Control \$ 800 million
- Sustainable communities and climate change reduction \$ 580 million
- Protection of beaches, bays, and coastal waters \$ 540 million
- Parks and natural education facilities \$ 500 million
- Forest and wildlife conservation \$ 450 million
- Statewide water planning \$ 65 million

## Regional Impacts

Of the \$1.525 billion allocated for water quality, \$1 billion is provided to the Department of Water Resources for Integrated Regional Water Management. A regional breakdown of funding from this and other funding categories are as follows:

### SCAG Region

Bond Funding Category	Program	Funding Amount
Integrated Water Management & Water Quality	Los Angeles Integrated Regional Water Management	\$215 million
Integrated Water Management & Water Quality	Santa Ana Sub-Region Integrated Regional Water Management	\$114 million
Protection of Rivers, Lakes & Streams	Los Angeles and San Gabriel Rivers	\$72 million
Protection of Rivers, Lakes & Streams	Santa Ana River Parkway Improvement (to be divided equally between OC, SB, and RV counties)	\$45 million
Beaches, Bays & Coastal Protection	Santa Monica Bay Watersheds (to be divided 50% each for Santa Monica Mtns for upper LA river protection, and San Gabriel/Lower LA River conservancy)	\$45 million
<b>TOTAL</b>		<b>\$491 million</b>

Funds allocated under the Integrated Regional Water Management are divided by hydrologic regions and available by competitive grants within those regions. The program is modeled after and uses guidelines promulgated for Proposition 50 passed by the voters a few years ago. Based on past programs, it is

# MEMO

estimated that the \$1 billion in state investment will leverage an estimated \$3 billion in local investment and provide 1 million acre feet of new water supply or reduced demand each year. A similar ratio of leveraged investment funds flowing to the region can be anticipated for Integrated Regional Water Management funds allocated to the region under Prop. 84.

## FISCAL IMPACT:

All work related to implementation of the water bonds is contained within the adopted FY 06-07 budget and does not require the allocation of any additional financial resources.

Reviewed by:

  
\_\_\_\_\_  
Department Director

Reviewed by:

  
\_\_\_\_\_  
Chief Financial Officer

# MEMO

**DATE:** December 14, 2006  
**TO:** Transportation and Communications Committee  
**FROM:** Jeffrey S. Dunn, Government Affairs Analyst  
**SUBJECT:** Infrastructure Bonds: Issues and Impacts

---

## BACKGROUND:

On November 7, 2006, California voters approved Proposition 1B, The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006. The bond provides \$19.9 billion for transportation infrastructure improvements in California, which allocates approximately \$8.1 billion statewide according to formulas under existing law or by direct appropriation in the bond. This leaves approximately \$11.8 billion in discretionary allocations statewide, of which the first and largest category of funds to draw from is the \$4.5 billion Corridor Mobility Improvement Program Account (CMIA). Funds from this program are subject to competitive allocation. The majority of the remaining \$7.3 billion in discretionary transportation funds shall be allocated pursuant to funding legislation in the 2007 legislative session. Other discretionary funds shall also be allocated by competitive processes - some of which are already in existence and others yet to be determined - by Caltrans and/or the California Transportation Commission and/or the Public Utilities Commission.

### CMIA Projects: Regional Impacts

CMIA projects are required to be selected by the California Transportation Commission (CTC) from those identified and submitted by the Department and regional or local transportation agencies by no later than January 15, 2007. Selected projects must be ready to commence construction or implementation by 2012, and must be part of the RTP. SCAG solicited the input of the regional transportation commissions regarding their priorities with respect to allocations for CMIA projects. We received the responses listed below:

### **Metropolitan Transportation Authority (MTA)**

The MTA proposes to jointly nominate with Caltrans the following high-priority eligible Los Angeles County projects to be considered by the California Transportation Commission (CTC) for \$1.546 billion in CMIA funds:

Interstate 5 from I-605 to the Orange County Line	\$387 million
Interstate 5 carpool lane from Route 170 to Rte 134	\$ 73 million
I-405 Carpool Lane I-10 to US-101 (Northbound)	\$730 million
Interstate 10 Extend El Monte Busway to County Line	\$356 million

# MEMO

If available, MTA concurs with Caltrans' nomination of the following priority eligible Log Angeles projects to be considered by the CTC for an additional \$222 million of Corridor Mobility Improvement Account funds:

Corridor Intelligent Transportation System elements	\$ 44 million
Interstate 10/605 Transition (I-605 South to I-10 East)	\$ 71 million
Route 138 from Avenue "T" to Route 18	\$111 million

## **Orange County Transportation Authority (OCTA)**

OCTA has preliminarily identified the following projects in the SCAG region as possible CMIA nominations for infrastructure bond allocations:

SR 91 - Eastbound lane from SR-241 to SR-71; Westbound lane from SR-71 to SR-241; westbound lanes from SR-57 to I-5; add 1 lane each direction Lakeview to Gypsum; westbound lane from SR-55 to Tustin Ave. Estimated Cost: \$200 million

I-405/SR 22 - HOV Connectors 22/405 & 405/605; 2nd HOV lane on 405 from 22 to 605. Estimated Cost: \$400 million. (Estimated CMIA share of cost is \$250 million; Design-Build could reduce projects costs by up to \$100 million).

SR 57 - Northbound lane from Lambert to Tonner Canyon; Northbound lanes from Katella to Lambert. Estimated Cost: \$295 million.

I-5 - Improve I-5/SR-74 Interchange; Gene Autry HOV connection to the west. Estimated Cost: \$75 million.

## **San Bernardino Association of Governments (SANBAG)**

SANBAG has preliminarily identified the following projects in the SCAG region as possible CMIA nominations for infrastructure bond allocations:

I-10 - Install TSM Field Elements & Ramp Improvements in Redlands; widen Exit Ramps and Construct auxilliary lanes in Fontana; Construct Westbound Mixed Flow in Redlands and Yucaipa; Route 10 Pepper Ave Interchange Modification; Route 10 Citrus Avenue Interchange Reconstruction; Route 10 Cedar Interchange Reconstruction; Route 10 Riverside Ave Interchange Reconstruction; I-10 Cherry Interchange Reconstruction. Estimated Cost: \$326 million (Estimated CMIA share of cost is \$262 million).

I-15 - Route 15 widening (Phase 2); I-15 Ranchero Rd Interchange Construction; Route 15 La Mesa Road/Nisquali Road Interchange; Near Devore; Install TSM Field Elements. Estimated Cost: \$278 million (Estimated CMIA share of cost is \$127 million).

I-215 - Route 215 HOV Lanes Rte 10 to Rte 210; On Route 215; Install TSM Field Elements & Widen. Estimated Cost: \$706 million (Estimated CMIA share of cost is \$123 million).

# MEMO

I-210 – Route 210 connection to I-215; Various Cities; Install TSM Field Elements & Widen. Estimate Cost: \$74 million (Estimated CMIA share of cost is \$41 million).

## **Ventura County Transportation Commission (VCTC)**

The Ventura County Transportation Commission seeks to develop a project to add a carpool lane on Route 101 between Ventura and Santa Barbara. The selected segment includes sections between Milpas Avenue and Hot Springs Road in Santa Barbara, and from Linden Avenue in Carpinteria to Mussel Shoals in Ventura County, and also includes the La Conchita Pedestrian Underpass. This scope meets the corridor mobility criteria and appears to be the only eligible project for Proposition 1B corridor mobility funds. Staff will go to the Commission at its January meeting for approval of the Corridor Mobility application for this project, which is anticipated to cost about \$130 million.

## **Imperial Valley Association of Governments (IVAG)**

The Imperial Valley Association of Governments is currently preparing a request to use some of the Corridor Mobility Improvement Account funds to complete the final phase of the inter-regional Calexico-Coachella Cargo Corridor (or C-4) project that will bypass downtown Brawley.

## CMIA Project Selection Process

A CMIA Working Group was established to develop guidelines for submission of recommended projects to the CTC. SCAG staff served on the CMIA Working Group to develop submission guidelines, and will continue to work with CTC staff and local agencies to secure approved CMIA funding for the region. The CTC will adopt the Corridor Mobility Improvement Account Program in its final form on March 1, 2007.

In addition to its participation on the CMIA Working Group, SCAG held a meeting on November 30, 2006 with regional transportation stakeholders including the county transportation commissions, consultants, and other staff to discuss the CMIA Project Nomination process, timeline, RTP amendment process, and future action steps. SCAG will continue to facilitate these discussions as CMIA project selection and other transportation bond implementation processes move forward next year.

## **FISCAL IMPACT:**

All work related to ongoing efforts to assist the implementation of the transportation bond is contained within the adopted FY 06-07 budget and does not require the allocation of any additional financial resources.



# MEMO


Reviewed by:

  
Division Manager

Reviewed by:

  
Department Director

Reviewed by:

  
Chief Financial Officer